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CAPITAL APPRECIATION BONDS AND OTHER SCHOOL BOND DEBT: CONSEQUENCES OF POOR FINANCIAL PRACTICES

I. EXECUTIVE SUMMARY

The 2015-2016 Los Angeles County Civil Grand Jury (CGJ) decided to investigate school bond financing practices and employed the services of Government Financial Strategies to assist with its investigation.

This report considers the pressures that may have influenced the issuance of expensive Capital Appreciation Bonds (CABs), and surrounding trends and circumstances. It further considers an in-depth case study of an example school district to more deeply identify suspected problems. Finally, it recommends how the suspected problems could have been avoided, and estimates the impact of better financing practices.

The volume of press attention placed upon the use of CABs questioned financing practices in school districts around the state. This led to the passage of a state reform bill, Assembly Bill 182 (AB 182) in 2013, codified in California Education Code Sections 15144.1 et seq.

AB 182 legislative changes are expected to prevent the most egregious abuses of CABs, but additional steps should be taken by the issuing authorities to further prevent unnecessarily expensive CABs. In addition, the reform bill does not address the expensive debt that currently exists, and corrective actions that could be taken by many school districts to improve the current situation.

The CGJ undertook an assessment of the costs from the most expensive CABs in Los Angeles County school districts. The CGJ estimates that better financing practices would have significantly reduced debt service costs for the bond measures that included the top five most expensive CABs. The analysis indicates debt service could have been lower by 25% - 50%, which would have meant \$145 to \$290 million less in taxes needed to repay bonds.¹

The CGJ believes that the lack of oversight and financial expertise contributed to these problems. Voters and elected officials are not always aware of the long-term consequences when approving bond measures. Bonds are quite complex, as the 2008 global financial crisis demonstrated. It doesn't appear that school districts are sufficiently sensitive to the costs and perils that can result from assumptions and financial structures selected, and may not have been properly informed by professionals about alternatives and risks.

¹ This reduction in debt service is estimated just for the bond measures containing the five most expensive CABs, as identified by the Los Angeles Times. These were five bond measures in five different districts. See Maloy, Moore, "Capital Appreciation Bonds," Los Angeles Times, November 28, 2012 (hereafter "LA Times/CABs"). <http://spreadsheets.latimes.com/capital-appreciation-bonds/>

The CGJ believes that the County of Los Angeles through the Los Angeles County Office of Education, the Los Angeles County Auditor-Controller, and the Los Angeles County Office of the Treasurer and Tax Collector, should take a more proactive role in reviewing, evaluating and recommending appropriate actions to each school district in Los Angeles County prior to the issuance of bond indebtedness.

The CGJ's analysis shows that the total outstanding CABs have a principal of \$531 million at 3.5% debt ratio or higher, with a total debt service of \$2.5 billion. All school bond debt is substantially greater than that amount.

The CGJ encourages Los Angeles County to investigate the total outstanding school bond debt and identify the potential savings to be accrued from restructuring such debt.

The CGJ recommendations are intended to mitigate concerns about incurring excessive debt costs in the future.

II. BACKGROUND

CABs are a repayment structure similar to both U.S. Savings Bonds and what in the mortgage industry is called a “balloon loan,” where all principal and interest is due at maturity. The other standard repayment structure – referred to as Current Interest Bonds (CIBs) – requires payments to be made on a semi-annual basis until maturity. The definition of a CAB as provided by the Municipal Securities Rulemaking Board (MSRB) glossary² is as follows:

“A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity. At maturity the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return. CABs typically are sold at a deeply discounted price with maturity values in multiples of \$5,000. CABs are distinct from traditional zero coupon bonds because the investment return is considered to be in the form of compounded interest rather than accreted original issue discount. For this reason only the initial principal amount of a CAB would be counted against a municipal issuer’s statutory debt limit, rather than the total par value, as in the case of a traditional zero coupon bond.”

CABs received attention when the *Voice of San Diego* published an article on Poway Unified School District’s 2011 issuance of CABs.³ The amount of CABs issued, \$105 million, will result in total debt service payments of nearly \$1 billion. This will result in a debt service ratio (the total debt service payments divided by the total amount of bonds) approaching 10:1.⁴ The story was picked up by other major newspapers, such as the *New York Times*,⁵ and led to many subsequent investigations by the press, including the *Los Angeles Times*,⁶ of school district bond issuance.

A. Legislative Changes

In Los Angeles County, school districts issued at least a dozen CABs with a debt service ratio (total debt service ÷ original principal) greater than 6:1, shown in Exhibit 1. Of these, the top five most expensive CABs have a debt service ratio greater than 7:1. All of these bonds were issued within a short span of time – 4 years – beginning in 2007 and concluding in 2011. All of them are still outstanding.

Concerns about the financing practices as described above caused the May 2011 publication, by County of Los Angeles Treasurer and Tax Collector Mark J. Saladino, of “School District General Obligation Bonds - White Paper,” which particularly condemned

² http://www.msrb.org/Glossary/Definition/CAPITAL-APPRECIATION-BOND- CAB_.aspx

³ Carless, Will, “Where Borrowing \$105 Million Will Cost \$1 Billion: Poway Schools”, *Voice of San Diego*, August 6, 2012.

<http://www.voiceofsandiego.org/investigations/where-borrowing-105-million-will-cost-1-billion-poway-schools/>

⁴ It was widely reported as 10:1, but was actually 9.35:1.

⁵ Norris, Floyd, “Schools Pass Debt to the Next Generation”, *New York Times*, August 16, 2012,

http://www.nytimes.com/2012/08/17/business/schools-pass-debt-to-the-next-generation.html?_r=0

⁶ Weikel, Dan, “Risky Bonds tie schools to huge debt”, *Los Angeles Times*, November 29, 2012.

<http://articles.latimes.com/2012/nov/29/local/la-me-school-bond-20121129>

long-dated CABs.⁷ These bonds, and those like them being issued around the state, led the state to impose a limitation of 4:1 on the debt service ratio for CABs beginning in January 2014 as part of a state reform bill, AB 182, codified in Education Code Section 15144.1.⁸

Two other notable statutory changes made by AB 182 were Education Code Section 15144.2 which provides that any CAB with a term longer than 10 years be callable, meaning they can be redeemed or paid off by the issuer prior to the maturity date, and Government Code Section 53508.6 which provides that the term of CABs be limited to a maximum of 25 years.

A general review of the dozen most expensive Los Angeles County school district CABs was conducted, and a more in-depth review of the top five. These CABs are shown in Exhibit 1, which was created by the CGJ using information from the *Los Angeles Times* article cited in footnote 9.

Exhibit 1
Summary of CABs Reviewed

Rank	Debt Ratio	School District	Principal Amount	Total Debt Service	Bond Measure	Sale Date
1	11.2	Los Nietos SD	\$178,130	\$2,000,000	2008 Measure M	2008
2	9.2	Westside Union SD	\$11,523,931	\$106,107,904	2008 Measure WS	2010
3	8.2	Redondo Beach Unified SD	\$269,172	\$2,195,000	2008 Measure C	2010
4	7.3	Alhambra Unified SD Sch. Imp. Dist.	\$9,099,721	\$66,565,000	2008 Measure MM	2011
5	7.2	Hawthorne SD	\$6,716,599	\$48,323,193	2004 Measure H	2008
6	6.8	Monrovia Unified SD	\$3,016,250	\$20,593,049	2006 Measure M	2010
7	6.6	Glendora Unified SD	\$7,384,187	\$49,000,000	2005 Measure G	2009
8	6.6	Acton-Agua Dulce Unified SD	\$2,288,947	\$15,141,784	2008 Measure CF	2009
9	6.3	Los Nietos SD	\$3,067,002	\$19,212,304	2008 Measure M	2011
10	6.2	Manhattan Beach Unified SD	\$4,007,599	\$24,930,000	2008 Measure BB	2010
11	6.2	Alhambra Unified SD	\$21,119,695	\$129,960,000	2004 Measure C	2009
12	6.1	Lennox SD	\$223,827	\$1,360,000	2007 Measure L	2007

Notes: Debt ratios, sale dates, principal and debt service amounts provided by Los Angeles Times⁹;
Bond Measure information obtained from SmartVoter.org election archives and Official Statements
The top 12 CABs were issued by 10 districts in 11 bond measures.

While AB 182 is a start, more effective action could be taken to prevent unnecessarily expensive CABs (or simply unnecessarily expensive bonds of any structure). Further, the reform bill does not mitigate the cost of existing expensive debt.

B. Impact Of The Great Recession (2007–2009)

One of the major complications faced by school districts during the recession was a precipitous decline in the rate of tax base growth, and in some cases, a loss in taxable property values. The tax levy for the bonds issued by a district is dependent upon the Assessed Value (AV) of the properties within the district. As AV goes down, properties need to be taxed at a higher rate to meet the debt service obligation. This is not always

⁷ Saladino, Mark J., “School District General Obligation Bonds – White Paper” (May 2011). <https://ttc.lacounty.gov/Proptax/docs/White%20Paper%20-%20School%20GO%20Bonds.pdf>

⁸ http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=EDC&division=1.&title=1.&part=10.&chapter=1.&article=3

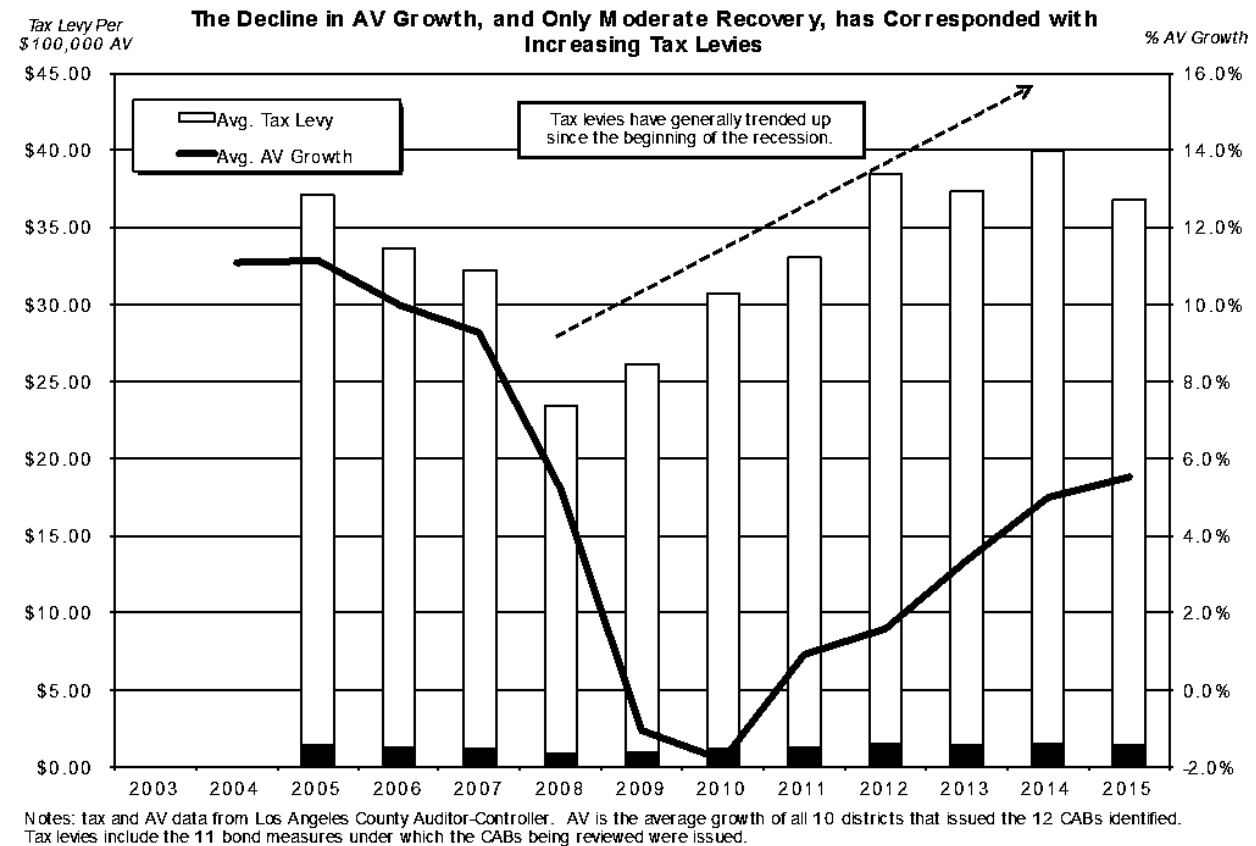
⁹ Maloy, Moore, “Capital Appreciation Bonds,” *Los Angeles Times*, November 28, 2012. <http://spreadsheets.latimes.com/capital-appreciation-bonds/>

a problem because as long as debt is structured to rise at or below the rate of AV growth, then tax levies will be at or below projections.

A problem arises when actual AV is less than projected, and this often happens when AV growth slows, or declines. Under a 55% voter approval general obligation measure, there is a limitation on the maximum *projected* tax levy: \$60 per \$100,000 of AV for unified districts and \$30 per \$100,000 of AV for union districts.¹⁰ As assessed values dropped during the recession, school districts may have been tempted to issue CABs to push debt service payments out into the future, so that tax levies would not rise above the limitation in the short term and/or to maintain the long term *projected* tax levy at \$60 or \$30 in order to continue issuing bonds.

Exhibit 2, created by Government Financial Strategies, demonstrates that while AV growth plummeted during the recession, average tax levies among the school districts rose significantly during the time the CABs were being issued.

Exhibit 2



¹⁰ California Constitution Article XIII A, California Education Code Sections 15270(a) and 15268, respectively.

III. METHODS AND PROCEDURES

1. Meetings were held with the Los Angeles County Office of Education (LACOE), the Los Angeles County Auditor-Controller, and the Los Angeles County Treasurer and Tax Collector.
2. The CGJ employed the services of Government Financial Strategies to assist with its investigation.
3. Data about the debt of each school district was developed by using Official Statements obtained from the Electronic Municipal Market Access (EMMA) website.¹¹ EMMA is the official repository for municipal securities data as designated by the Securities and Exchange Commission (SEC), and managed by the Municipal Securities Rulemaking Board (MSRB). These Official Statements contain the terms of each bond, including interest rates, principal amounts, intended use of the proceeds, and debt service structure.
4. Tax rate and assessed value data were obtained from Los Angeles County Auditor-Controller's website.¹² This data included the assessed value of the properties within the school districts, and the tax rates that are levied upon taxable property within the school districts. The Los Angeles County Auditor-Controller's Office also provided debt service tables that were not always available via EMMA. A sample tax bill was also provided by the Los Angeles County Treasurer and Tax Collector's office.
5. Additional data was also collected from the California Debt and Investment Advisory Commission (CDIAC),¹³ which manages a database on bonds issued in California.

¹¹ <http://emma.msrb.org/>

¹² <http://auditor.lacounty.gov/wps/portal/ac/home>

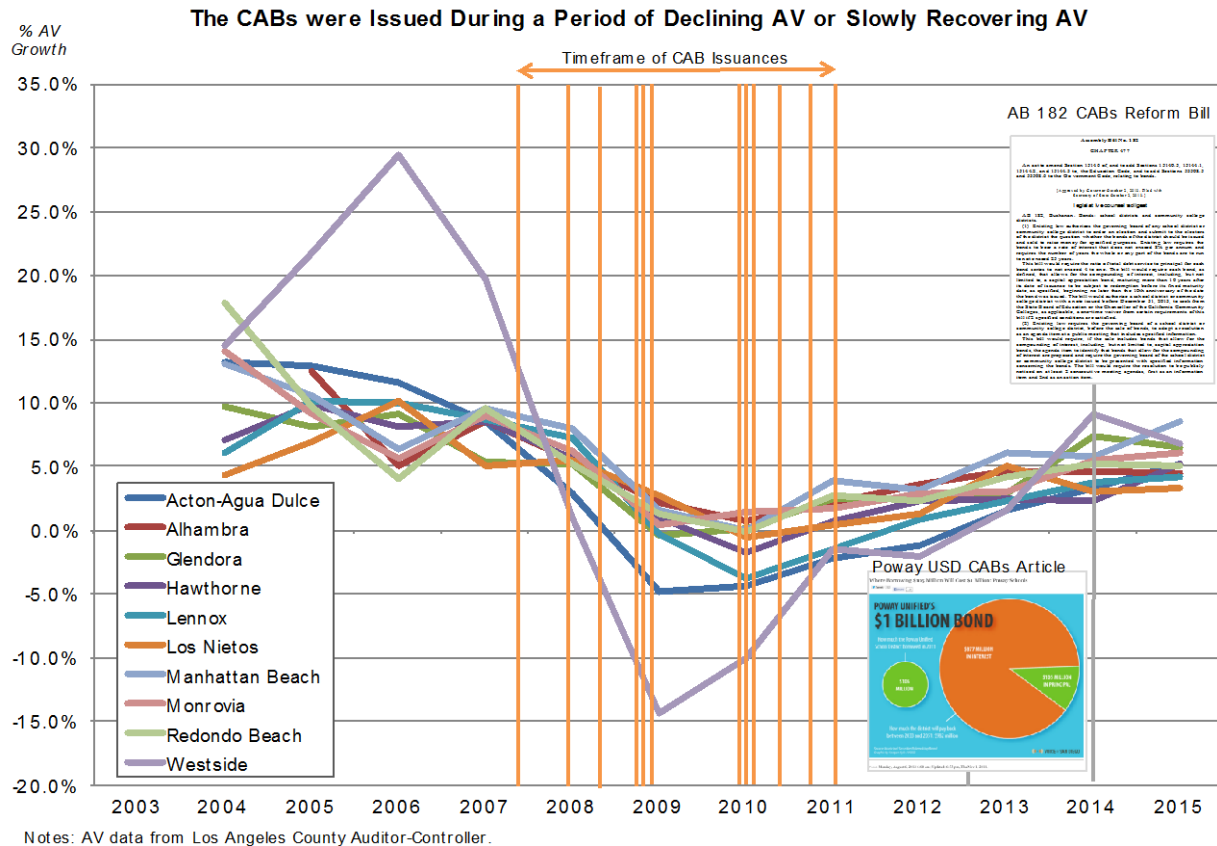
¹³ <http://www.treasurer.ca.gov/cdiac/>

IV. FINDINGS

A. Pressures On School Districts To Issue CABs

The assessed value data allowed the CGJ to reconstruct the history of assessed value growth and decline in the districts around the timeframe that the CABs were issued. As seen in Exhibit 3, created by Government Financial Strategies, the assessed value growth of every district being examined slows down, and some even decline.

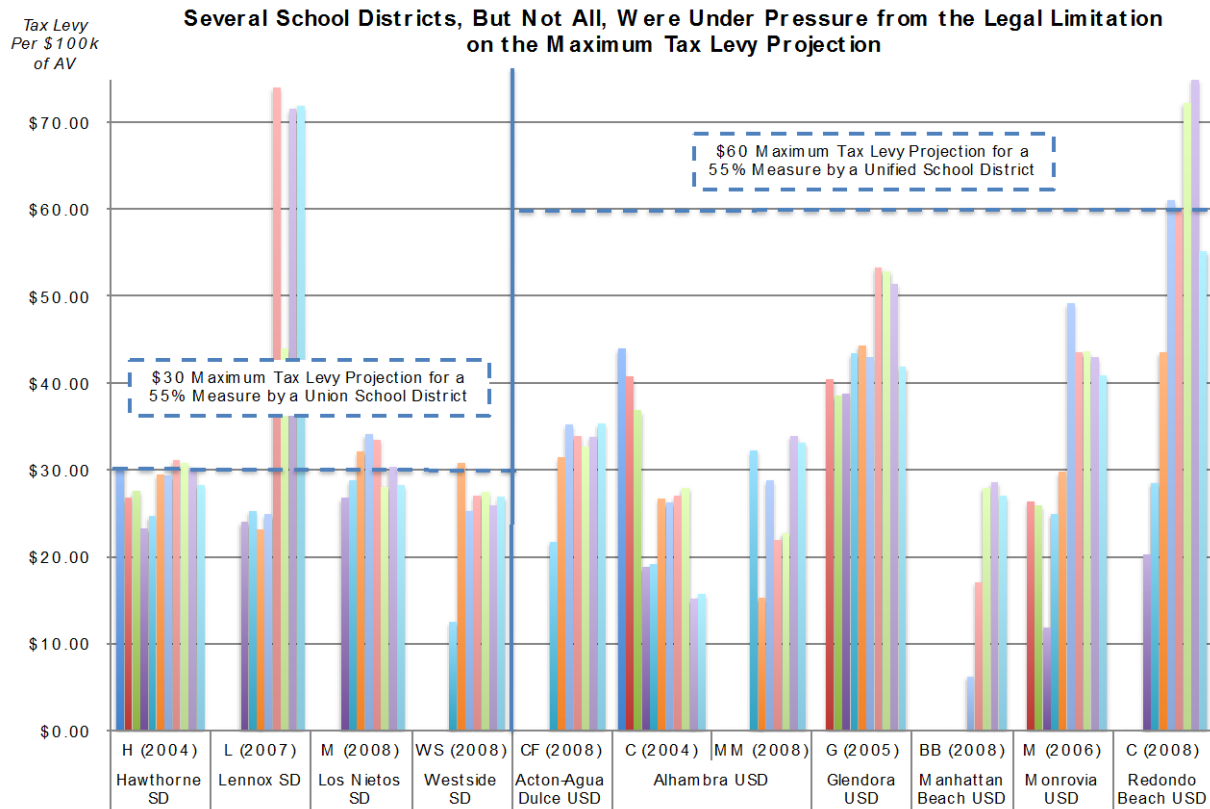
Exhibit 3



It can be seen that, generally speaking, AV rates of growth began to decline as the Great Recession approached and took hold in FY 2006-2007, with some dramatic swings in annual AV change, as much as +30% to -15% in the extreme. The recession bottomed out in in FY 2009-2010, with AV recovery coming at much lower rates of change. Most recently AV grew between 3% and 10%, depending on the district.

Tax levy data allowed the CGJ to assess the levies for the bond measures that included the CABs being examined. Exhibit 4, created by Government Financial Strategies, shows the tax levies for the various bond measures over the ten-year period 2005 through 2015. It can be seen that several school districts were under pressure from being at or near the maximum tax levy projection.

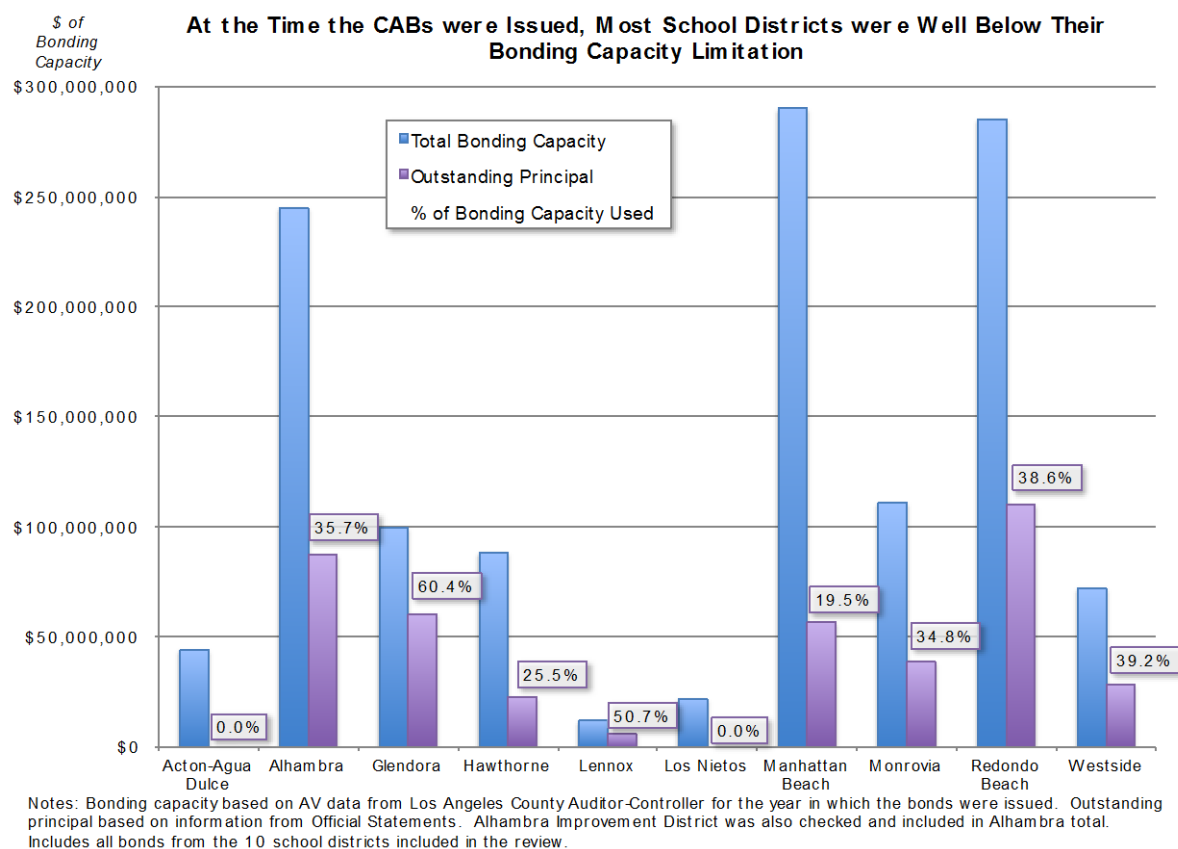
Exhibit 4



Notes: Tax data from Los Angeles County Auditor-Controller. Tax levies shown are 2005 through 2015. 11 Measures represented, in which the 12 CABs were issued by 10 school districts.

Exhibit 5, created by Government Financial Strategies, demonstrates that most of the school districts were only using a small percentage of their maximum bonding capacity at the time that they issued the CABs. Bonding capacity is a statutory limitation where the total bonds outstanding cannot exceed 2.5% of assessed value for unified school districts, and 1.25% of assessed value for union school districts.¹⁴ As result, it does not appear that this limitation was influencing the school districts to issue CABs.

Exhibit 5



The following additional trends, detailed in Exhibits 6 and 7, both created by Government Financial Strategies, were also discovered in the issuance of the CABs.

1. All of the dozen CABs shown in Exhibit 1 were issued as “non-callable”, meaning they cannot be prepaid early.
2. Nearly all of the CABs were issued in combination with other bonds, and so evaluation of the larger context of the overall debt portfolio is important.
3. Four out of ten school districts were each advised by the same financial advisor. Several school districts (4 out of 10) had no financial advisor at all. Half of the

¹⁴ California Education Code Sections 15106 and 15102, respectively.

CABs used the same bond underwriting firm (also called an investment bank or broker/dealer). The CGJ feels that school boards may not have received the best advice in the issuance of these bonds. This indicates that better public purchasing practices could have been used in the hiring of financial professionals.

Exhibit 6
Summary of CABs Reviewed

<u>Rank</u>	<u>Debt Ratio</u>	<u>School District</u>	<u>Callable or Noncallable</u>	<u>Standalone or In Combination</u>	<u>Financial Advisor</u>	<u>Underwriter</u>
1	11.2	Los Nietos SD	Noncallable	Combination	CFW	GKB
2	9.2	Westside Union SD	Noncallable	Combination	DS&C	PJ
3	8.2	Redondo Beach USD	Noncallable	Combination	DS&C	PJ
4	7.3	Alhambra USD SFID	Noncallable	Combination	None	GKB
5	7.2	Hawthorne SD	Noncallable	Combination	CFW	PJ
6	6.8	Monrovia USD	Noncallable	Combination	None	GKB
7	6.6	Glendora USD	Noncallable	Combination	None	GKB
8	6.6	Acton-Agua Dulce USD	Noncallable	Combination	CFW	S&Y
9	6.3	Los Nietos SD	Noncallable	Combination	CFW	GKB
10	6.2	Manhattan Beach USD	Noncallable	Standalone	AY	DLR
11	6.2	Alhambra USD	Noncallable	Combination	None	GKB
12	6.1	Lennox SD	Noncallable	Combination	CFW	UBS

Note: CABs as identified by Los Angeles Times; CABs issued by 10 districts in 11 bond measures
Other data obtained from Official Statements and CDIAC

Exhibit 7

<u>Financial Advisor</u>	<u># of the CABs</u>	<u># of Districts</u>
CFW	5	4
None	4	3
DS&C	2	2
AY	1	1
	12	10

<u>Underwriter</u>	<u># of the CABs</u>	<u># of Districts</u>
GKB	6	4
PJ	3	3
DLR	1	1
S&Y	1	1
UBS	1	1
	12	10

List of Acronyms for Financial Advisors

CFW	Caldwell Flores Winters
DS&C	Dale Scott & Company
AY	Annette Yee and Company

List of Acronyms for Underwriters

GKB	George K. Baum & Company
PJ	Piper Jaffray
DLR	De La Rosa & Company
S&Y	Stone & Youngberg
UBS	UBS

Note: De La Rosa & Company and Stone & Youngberg were subsequently acquired by Stifel

B. Understanding The CABs In The Context Of The Overall Debt Portfolio

While expensive CABs are a red flag, they were typically issued in combination with other debt, and within the bigger picture of bond indebtedness. Therefore, the CABs should be reviewed in the context of the overall bond indebtedness.

Exhibit 8, created by Government Financial Strategies, shows the overall debt service ratio for the entire bond measure in which the top five most expensive CABs were issued. By this metric, Los Nietos, the issuer of the most expensive CABs and with two in the list of the top 12, has the lowest ranked total debt service ratio for its bond measure of only 2.14:1. Meanwhile, Hawthorne, whose CABs were the least expensive of the top five, had a bond measure that was the second most expensive of the group.

Exhibit 8

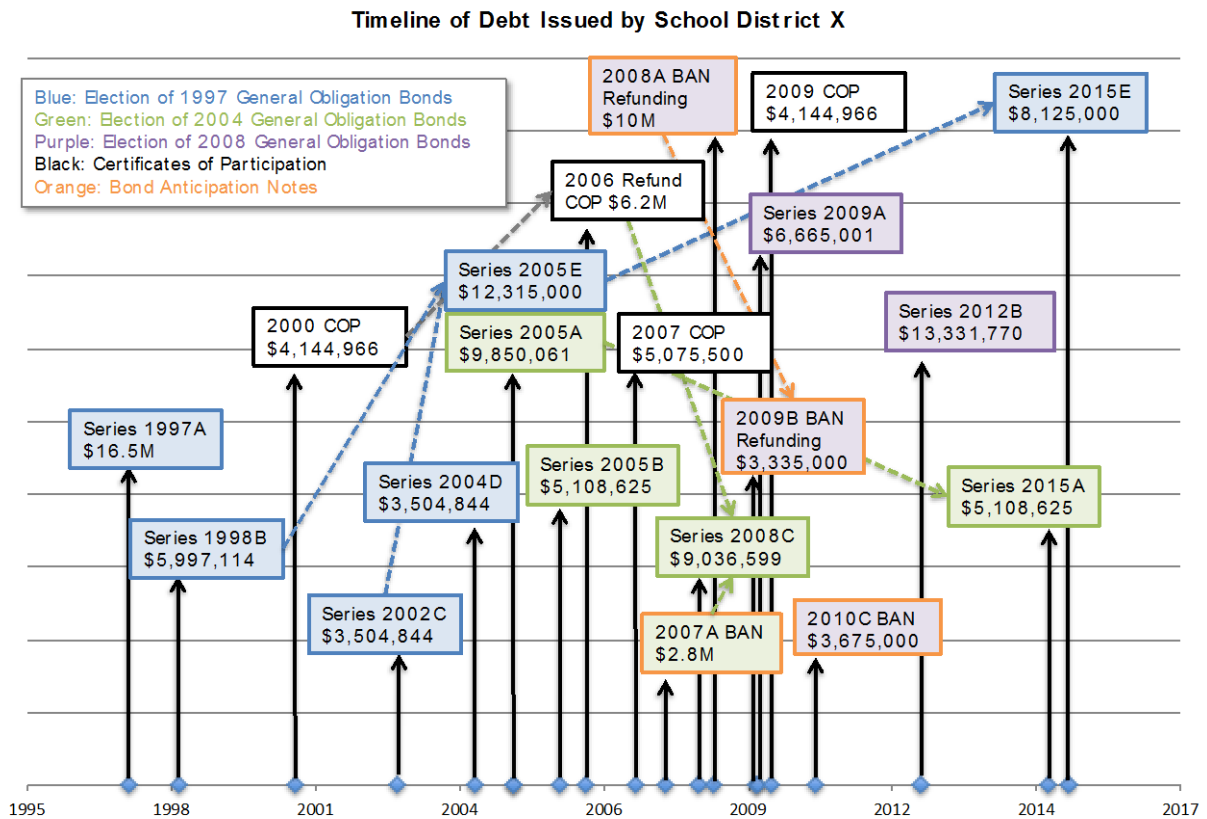
Ranking by Overall Measure Debt Ratio

<u>Rank</u>	<u>Debt Ratio</u>	<u>School District</u>	<u>Measure</u>
1	3.95	Westside SD	WS
2	3.92	Hawthorne SD	H (2004)
3	2.96	Alhambra USD SFID	MM
4	2.57	Redondo Beach USD	C
5	2.14	Los Nietos SD	M

As can be seen in Exhibit 8, the overall bond measure rankings present a different picture than looking at the expensive CAB maturities in isolation.

The CGJ chose an example school district of those above – which is referred to as District X – to conduct a deeper evaluation. Exhibit 9, created by Government Financial Strategies, reveals a very complex timeline of debt issuances involving three bond measures and multiple bridge financings. In some cases, bridge financing was used to pay off prior bridge financing.

Exhibit 9



As shown above, the bridge financings were in the form of Certificates of Participation (COPs) and Bond Anticipation Notes (BANs).

COPs are a common financing method of school districts in California. It is a form of a lease-purchase agreement, or lease-to-own agreement, where the school district leases school facilities, land, and/or equipment, and at the end of the lease term, the district owns the asset. The lease is divided into certificates for purposes of selling in the municipal bond market.

The definition of COPs as provided by MSRB glossary¹⁵ is as follows:

“An instrument evidencing a pro rata share in a specific pledged revenue stream, usually lease payments by the issuer that are typically subject to annual appropriation. The certificate generally entitles the holder to receive a share, or participation, in the payments from a particular project. The payments are passed through the lessor to the certificate holders. The lessor typically assigns the lease and the payments to a trustee, which then distributes the payments to the certificate holders.”

COPs are very often issued as long-term financing. However, in an instance where the district intends to keep the COPs outstanding for only a short time, and then repay the COPs early with another form of debt, such as general obligation bonds, then COPs are being used as bridge financing.

BANs are not commonly issued by school districts in California. They are, by law, a mechanism for bridge financing. These notes are issued in anticipation of the eventual issuance of bonds. California Education Code Section 15150¹⁶ provides that the notes (or any roll-over notes or refinancing notes) can only be outstanding for a short time, no longer than 5 years from the date of the original issuance.

The definition of BANs as provided by MSRB glossary¹⁷ is as follows:

“Notes issued by a governmental unit, usually for capital projects, that are repaid from the proceeds of the issuance of long-term bonds.”

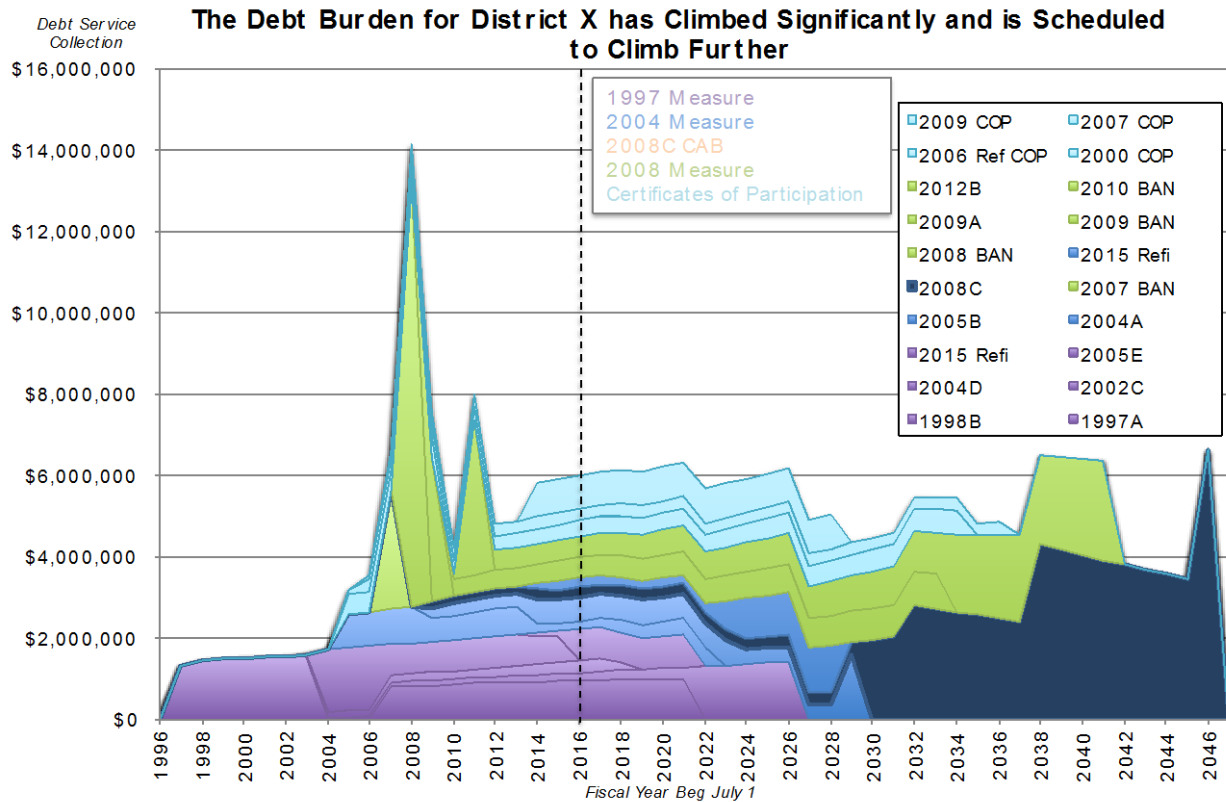
¹⁵ http://www.msrb.org/Glossary/Definition/CERTIFICATE-OF-PARTICIPATION-_COP_.aspx

¹⁶ http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=EDC&division=1.&title=1.&part=10.&chapter=1.&article=3

¹⁷ http://www.msrb.org/Glossary/Definition/BOND-ANTICIPATION-NOTE-_BAN_.aspx

For all of the debt issuances identified in the Exhibit 9 timeline, Exhibit 10, created by Government Financial Strategies, shows the debt service payments owed. One can see several spikes in payments that were a result of the bridge financings. Further, the cumulative burden of debt payments or liability has climbed significantly over the last ten years and is scheduled to climb further.

Exhibit 10



Notes: The 2004 Measure, 2008 Series is highlighted in dark blue because it includes the CABs identified by the Grand Jury. Data from Official Statements, EMM A, CDIAC, Audit Reports, and other publically available sources.

In Exhibit 11, created by Government Financial Strategies, in order to repay the BANs issued in 2008, District X had to issue additional BANs – one in 2010 and a second in 2012, before the BANs could finally be repaid with bonds. This means instead of one financing, the District X did four.

Exhibit 11

Obligation to Repay BANs

<i>Measure</i>	<i>Series</i>	<i>Interest</i>	<i>Due Date</i>	<i>Payment Sources</i>
2004	2007 BAN	6.25%	Sep 1, 2008	General Obligation Bonds / Roll-Over Notes Capped at 5 Years / Other Funds Lawfully Available
2008	2008A BAN	4.00%	Oct 1, 2009	General Obligation Bonds / Roll-Over Notes Capped at 5 Years / Other Funds Lawfully Available
2008	2009B BAN	4.00%	Nov 15, 2010	General Obligation Bonds / Roll-Over Notes Capped at 5 Years / Other Funds Lawfully Available
2008	2010C BAN	3.00%	Nov 15, 2012	General Obligation Bonds / Roll-Over Notes Capped at 5 Years / Other Funds Lawfully Available

Example - Excerpt from 2010C BAN Official Statement

Sources of Payment

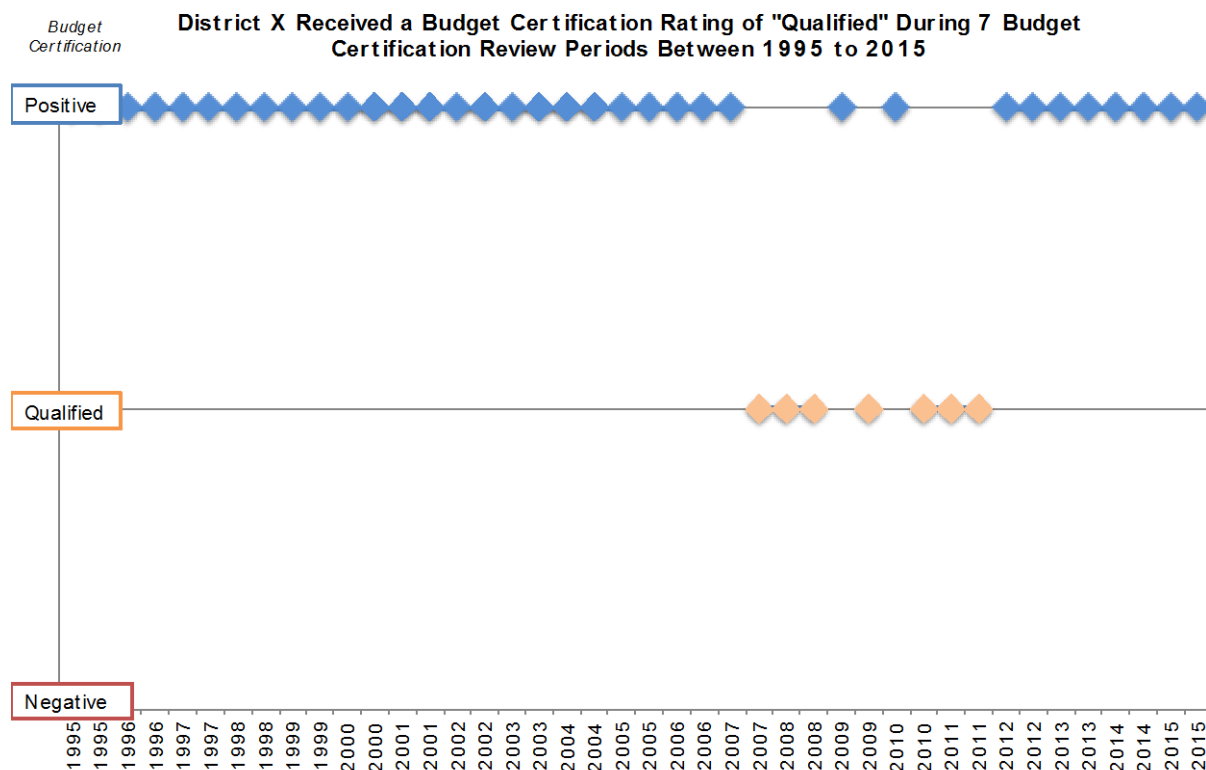
The principal of and interest on the Notes are payable from proceeds of the sale of general obligation bonds authorized under the Authorization, \$13,334,998.70 of which remains for issuance or of any issue of Additional Roll-Over Notes or from other funds of the District lawfully available for the repayment of the Notes and that are available for the payment thereof. See "PLAN OF FINANCE."

Any Additional Roll-Over Notes will be payable at a fixed time within five years from the date of issuance of the 2008 Notes. In the event that the sale of general obligation bonds does not occur prior to maturity of the Notes, the District will issue Additional Roll-Over Notes to pay the principal of and interest on the Notes. The total principal amount of the Notes or any Additional Roll-Over Notes may not, as of their date of issuance, exceed the remaining principal amount of general obligation bonds to be issued under the Authorization and the principal amount of the Notes is subject to a maximum of \$3,700,000 under the Resolution. See "PLAN OF FINANCE" below.

Further, Exhibit 11 shows that should the cap of five years be reached, as it very nearly was, then the third and final backstop funding source was "other funds lawfully available." Other funds, lawfully available of course, include the General Fund – obligating the very resource that provides funding for teachers, textbooks, classroom supplies, and other daily operational expenses.

Should it have been considered prudent for District X to have the obligation to budget for repayment of the BANs directly or to make payments on additional bridge financing, if needed? Since District X was already under fiscal stress during the recession – as evidenced by qualified¹⁸ budget certifications shown in Exhibit 12, created by Government Financial Strategies, it seems doubtful.

Exhibit 12



Notes: two of each year listed because each year has a "first interim" certification and a "second interim" certification. Year indicates fiscal year beginning July 1. Per California Department of Education Certification of Interim Financial Reports

The result is that the bridge financing put District X's General Fund at greater risk at the very time that it had the least amount of financial wherewithal to be taking on such risk.

The agency that has fiscal oversight of school districts in Los Angeles County, per AB 1200 found in California Education Code Section 42122 et seq.,¹⁹ is LACOE.

According to the California Department of Education:²⁰

“AB 1200 was created to ensure that local educational agencies throughout California adequately prepared to meet their financial obligations. The concern arose following the bankruptcy of the Richmond

¹⁸ According to the California Department of Education, “A qualified certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years”. Please see <http://www.cde.ca.gov/fg/fi/ir/interimstatus.asp>

¹⁹ http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=EDC&division=3.&title=2.&part=24.&chapter=6.&article=2

²⁰ <http://www.cde.ca.gov/re/pr/ab1200.asp>

School District and the fiscal collapse of a few other districts that were preparing to request an emergency loan from the state. AB 1200 improved fiscal procedures, standards, and accountability at the local level and expanded the role of County Offices of Education (COEs) in monitoring school districts by mandating that COEs intervene under certain circumstances to ensure districts can meet their financial obligations.” [sic]

Under existing law, LACOE has two opportunities to review the proposed debt of a school district.

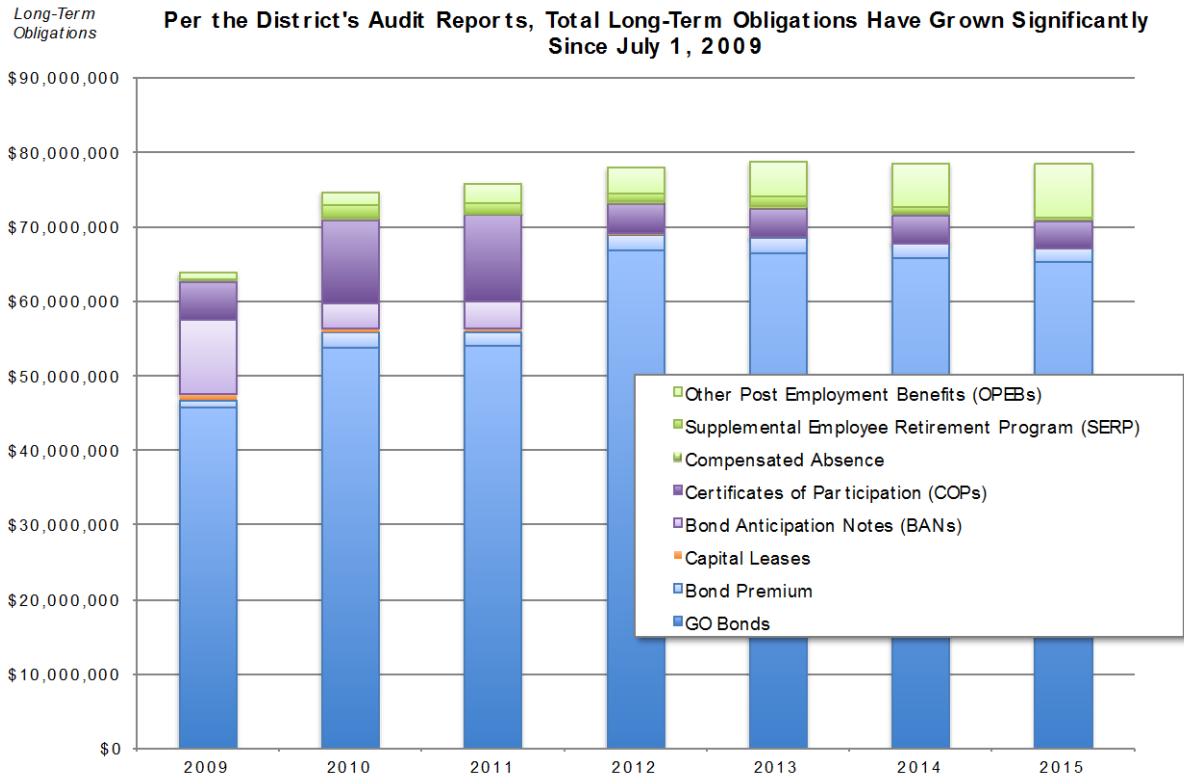
1. Review of any debt that is secured by real property and not subject to voter approval, under California Education Code Section 17150.1 (this is commonly understood to include COPs, real property lease-purchase agreements, and revenue bonds).
2. If the district has a “qualified” or “negative” budget certification, then the review extends to any debt that is not secured by real property, under California Education Code Section 42133(a) (this is commonly understood to include equipment lease-purchase agreements and tax and revenue anticipation notes).

General Obligation Bonds and BANs issued as bridge financing to such bonds, are not typically interpreted to fall under either of the above because they are “voter approved.” This is a questionable conclusion with respect to BANs that are also secured by other local revenues or which may lead to the issuance of COPs or other lease financing that do fall into the definitions above. Thus, some county offices of education undertake reviews of BANs.

However, the finding that a General Fund is put at significant risk through the use of BANs, such as in the example of District X, suggests that LACOE may have an important role, consistent with its AB 1200 responsibility, in helping to reduce the threat of insolvency by preventing frequent, expensive, and high-risk bridge financings.

The series of debt transactions shown in Exhibit 9 have added to the growing long-term liabilities for District X, as demonstrated in District X's Audit Reports which are illustrated in Exhibit 13, created by Government Financial Strategies.

Exhibit 13



Notes: per School District X Audited Annual Financial Statements.

C. Summary Of Suspected Problems

The analysis above suggests four significant problems.

1. Debt planning and structuring – prudent financial practices call for capital structuring that minimizes interest cost. This can be accomplished by scheduling the most expensive debt to be outstanding for as short a time as possible, or put another way, repaid first, as well as being callable so that the issuer has the option to repay or replace expensive debt as early as feasible. In debt portfolios reviewed, the most expensive debt was scheduled to be repaid last and non-callable, creating an unnecessarily expensive and lengthy debt obligation.
2. Interest rates – the use of debt, particularly CABs and BANs that carry high interest rates, was frequently observed.
3. Upfront costs – multiple transactions led to multiple sets of upfront costs that led to much greater expense.

4. Hiring of professionals – the concentration and duplication of financial professionals that were involved in the most expensive issuance of CABs, suggests that professionals may not have been properly vetted and may not have been hired using proper governmental purchasing procedures.

Each of these areas could have been improved upon with better practices.

The CGJ believes that the lack of oversight and financial expertise contributed to these problems. Voters and elected officials are not always aware of the long-term consequences when approving bond measures. Bonds are quite complex, as the 2008 global financial crisis demonstrated. School districts do not appear to have been sufficiently sensitive to the costs and perils that result from assumptions and financial structures selected, and may not have been properly informed by professionals about alternatives and risks.

D. Financing Best Practices

Financing best practices are published by the Government Finance Officers Association (GFOA). The names of each best practice that are relevant to each of the four areas of problems identified are shown below. GFOA provides detailed documents for each of these best practices on its website www.gfoa.org.²¹

GFOA Best Practices Relevant to Suspected Problems

1. Debt planning and structuring/Reducing Existing Liabilities from Debt
 - a. Debt Management Policy, <http://www.gfoa.org/debt-management-policy>
 - b. Small Government/New Issuer-Debt Issuance Checklist, <http://www.gfoa.org/sites/default/files/u2/GFOADebtIssuanceChecklistConsiderationsWhenIssuingBonds.pdf>
 - c. Analyzing and Issuing Refunding Bonds, <http://www.gfoa.org/analyzing-and-issuing-and-refunding-bonds>
2. Interest rates
 - a. Selecting and Managing the Method of Sale of Municipal Bonds, <http://www.gfoa.org/selecting-and-managing-method-sale-bonds>
 - b. Pricing Bonds in a Negotiated Sale, <http://www.gfoa.org/pricing-bonds-negotiated-sale>
3. Upfront costs
 - a. Costs of Issuance Incurred in a Publicly Offered Debt Transaction, <http://www.gfoa.org/costs-issuance-incurred-publicly-offered-debt-transaction>
 - b. Debt Issuance Transaction Costs, <http://www.gfoa.org/debt-issuance-transaction-costs>

²¹ <http://www.gfoa.org/topic-areas/debt-management>

- c. Expenses Charged by Underwriters in Negotiated Sales,
<http://www.gfoa.org/expenses-charged-underwriters-negotiated-sales>
- 4. Hiring of professionals
 - a. Selecting and Managing Municipal Advisors,
<http://www.gfoa.org/selecting-and-managing-municipal-advisors>
 - b. Selecting Bond Counsel, <http://www.gfoa.org/selecting-bond-counsel>
 - c. Issuer's Role in Selection of Underwriter's Counsel,
<http://www.gfoa.org/issuer-s-role-selection-underwriter-s-counsel>
 - d. Selecting and Managing Underwriters for Negotiated Bond Sales,
<http://www.gfoa.org/selecting-and-managing-underwriters-negotiated-bond-sales>

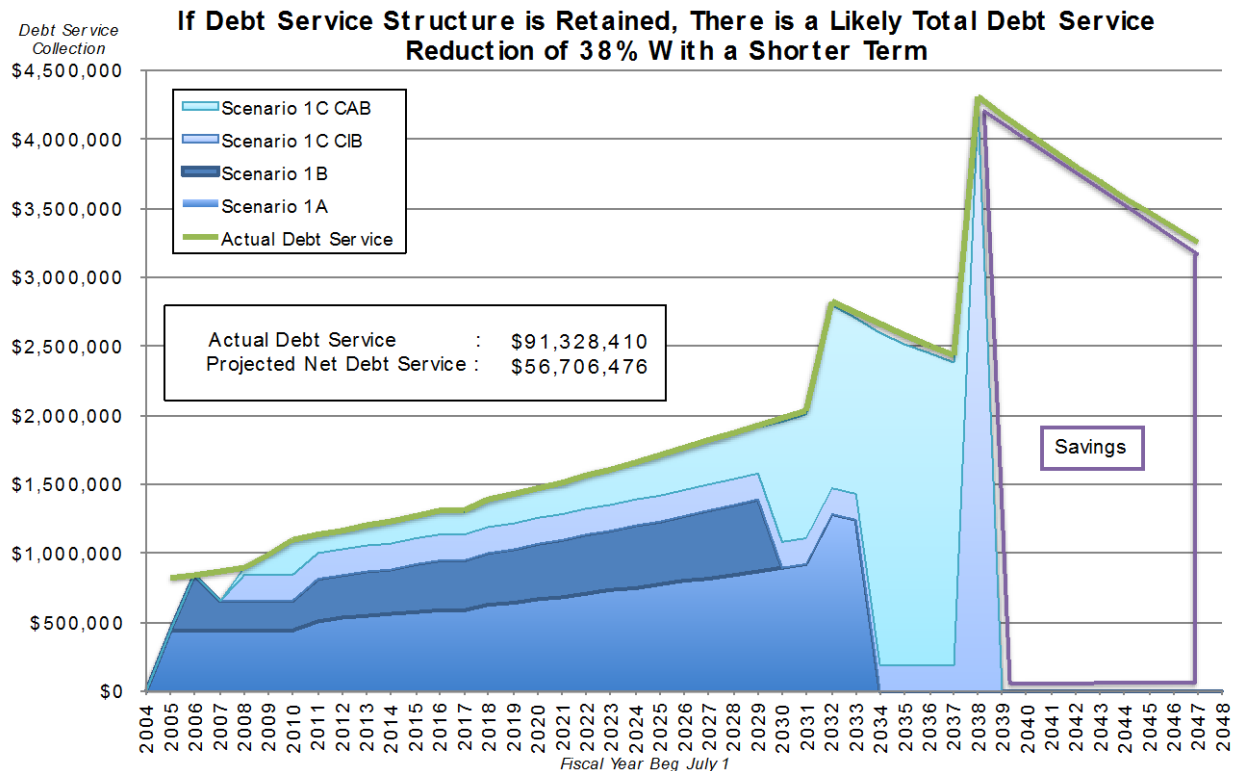
E. Effectiveness of Using Financing Best Practices

The effectiveness of these best practices was analyzed in the case of District X to determine the resulting impact on cost.

1. Same implementation but better (alternative Scenario 1)

As shown in Exhibit 14, created by Government Financial Strategies, if the bond measure had been implemented using best practices – and following the exact same debt service as was actually incurred – the bond measure could have concluded eight years early and reduced total payments by almost \$35 million, representing a debt service savings approaching 40%. It should be noted that CABs are still used in the financial model below, but much more efficiently.²²

Exhibit 14



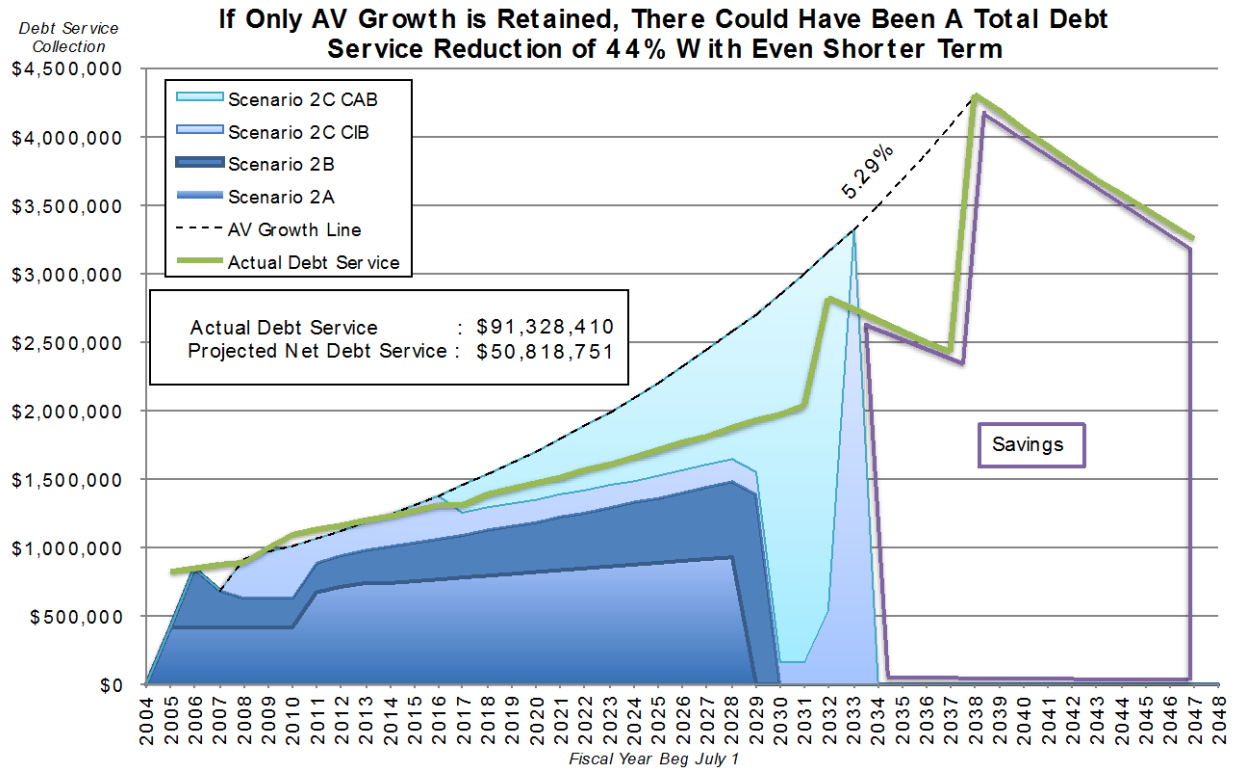
To determine reasonability of actual borrowings, we projected what the District could have achieved. We attempted to create a more efficient borrowing structure, based on a restructuring of the debt, using available market rates at the time of the sales. As the original issuances were all insured, we used MMD insured rates as of Jan 13, 2005 & Dec 7, 2005 to correspond with original sale dates for Series A & B, and Nov 28, 2007 for Series C to correspond with sale date of 2007 BAN to avoid extra issuances. CAB rates are +80bp and +50bp for callability.

²² “More efficiently” meaning that there are fewer CABs and they are outstanding for less time.

2. Same plan but better (alternative Scenario 2)

Alternatively – following the exact same slope of debt service, which assumes an average annual growth rate in assessed value of 5.29% – the bond measure could have concluded 13 years early and reduced total payments by more than \$40 million, a debt service reduction of more than 44%. Again, CABs are still used in the financial model shown in Exhibit 15, created by Government Financial Strategies, but much more efficiently. This model assumes that District X would have stayed the course under its original AV growth assumption, but had the debt been planned and structured better, it would have been easier to adjust to changing conditions, for example, a quicker payment of higher interest debt.

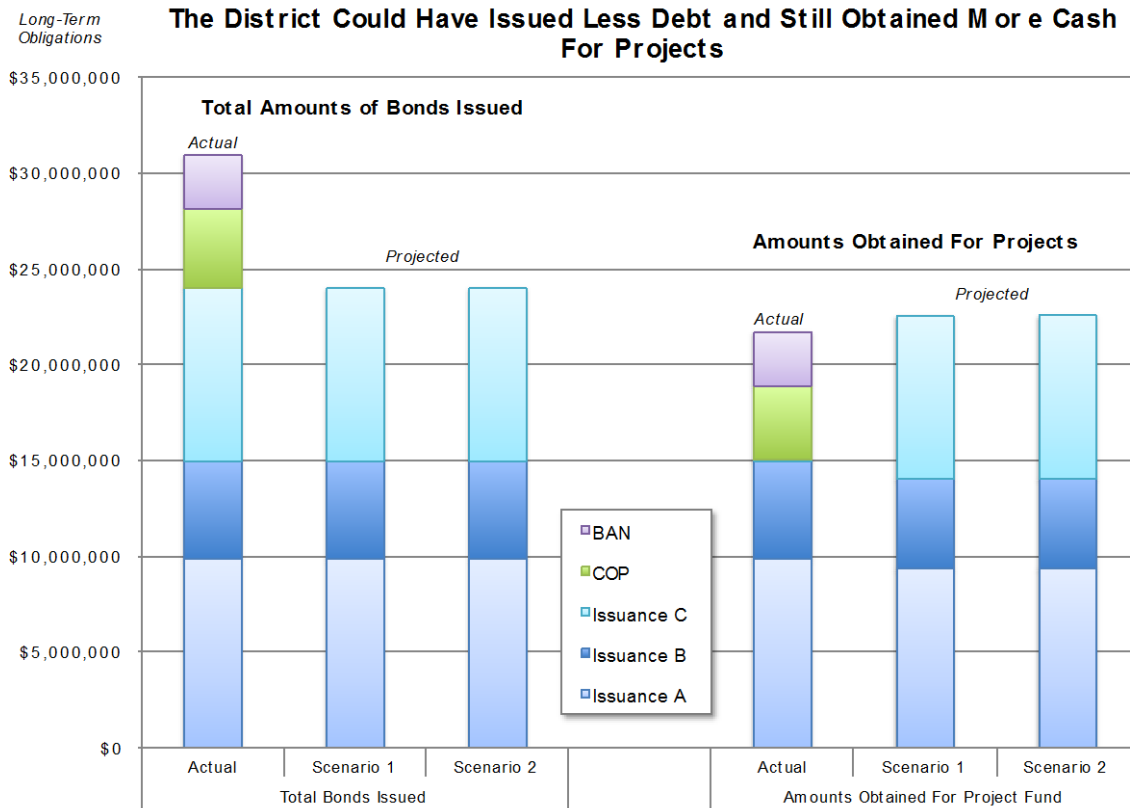
Exhibit 15



To determine reasonability of actual borrowings, we projected what the District could have achieved. We attempted to create a more efficient borrowing structure, based on a restructuring of the debt, using available market rates at the time of the sales. As the original issuances were all insured, we used MMD insured rates as of Jan 13, 2005 & Dec 7, 2005 to correspond with original sale dates for Series A & B, and Nov 28, 2007 for Series C to correspond with sale date of 2007 BAN to avoid extra issuances. CAB rates are +80bp and +50bp for callability.

Finally, under either of the scenarios illustrated in Exhibits 14 and 15, using financing best practices as prescribed by GFOA, District X could have issued significantly fewer bonds and obtained more money for facilities projects, as shown in Exhibit 16, created by Government Financial Strategies.

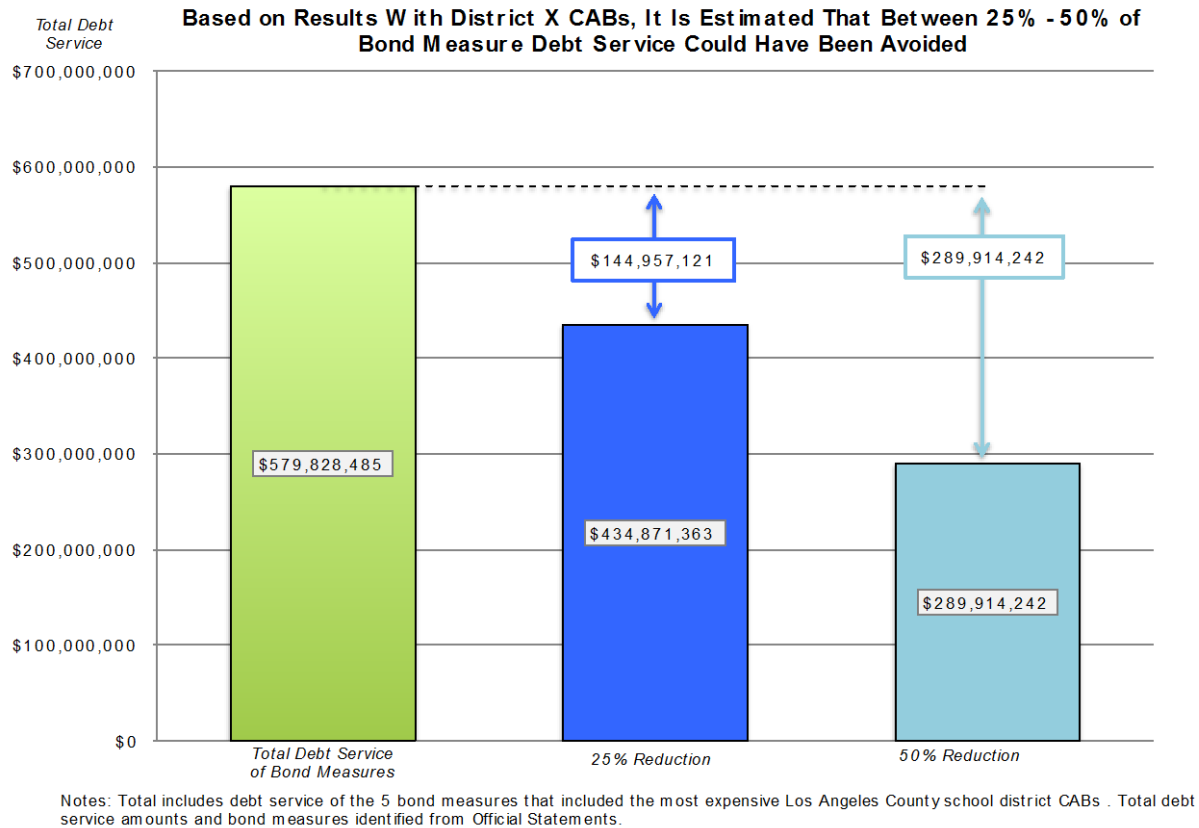
Exhibit 16



The two alternative scenarios above demonstrate how the confluence of problems around school district debt – poor planning and structuring, high interest costs, expensive upfront costs, and hiring of professionals without following best practices - lead to a significant and unnecessary debt burden, and further how the implementation of best practices could improve the picture dramatically.

The savings in debt service payments identified previously, 38% to 44%, could serve as the basis for extrapolation. If the range of savings is broadened to 25% to 50%, to allow for the potential unique variables of each school district, (being generous on the low end to be conservative) and applied to the total debt service of the bond measures containing the top five most expensive CABs identified in Exhibit 1, the CGJ projects a reduction in total debt service of \$145 million to \$290 million could have been achieved, as shown in Exhibit 17, created by Government Financial Strategies.

Exhibit 17



The expensive CABs themselves were frequently not callable, but in the case of District X approximately two-thirds of the overall debt portfolio is callable. The CGJ believes that at some point, there will be opportunities to refinance or prepay the existing debt. Best practices should be followed in restructuring and reducing the debt to achieve maximum savings.

V. RECOMMENDATIONS

- 6.1 School district chief business/finance officials in Los Angeles County should receive training in Government Finance Officers Association financing best practices.

- 6.2 School district chief business/finance officials in Los Angeles County should use Government Finance Officers Association financing best practices when issuing bonds or other types of debt.
- 6.3 School district chief business/finance officials in Los Angeles County should document their review and application of appropriate Government Finance Officers Association best practices when issuing bonds or other types of debt.
- 6.4 Each school district in Los Angeles County should ensure that all bond issues placed before the electorate include clear and precise language about the long-term bond indebtedness of such issues.
- 6.5 The Los Angeles County Office of Education, under its AB 1200 authority, should require school districts to submit for review any Bond Anticipation Notes being considered for issuance at least 30 days in advance of potential Board action, consistent with existing statute under California Education Code Section 17150.1.
- 6.6 The Los Angeles County Office of Education should receive training in Government Finance Officers Association financing best practices, and support school districts in receiving such training.
- 6.7 The Los Angeles County Office of Education, the Los Angeles County Auditor-Controller, and the Los Angeles County Treasurer and Tax Collector, should monitor the use of school bond debt in Los Angeles County, including review of (a) proposed debt service schedules in advance of bond pricing, and (b) realistic forecasts of assessed value.
- 6.8 Los Angeles County should form a committee consisting of representation of the Los Angeles County Office of Education, the Los Angeles County Auditor-Controller, the Los Angeles County Treasurer, and Tax Collector and at least four or five members of the public, to support Los Angeles County school districts in restructuring existing bond indebtedness and reducing the debt burden.
- 6.9 Los Angeles County should authorize the committee formed in Recommendation 6.8, to evaluate and make appropriate recommendations to the Los Angeles County Board of Supervisors and affected school districts about school bond indebtedness.
- 6.10 Los Angeles County should authorize the committee formed in Recommendation 6.8, to ensure that Government Finance Officers Association financing best practices are instituted throughout Los Angeles County school districts.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses to recommendations shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accord with Penal Code Sections 933.05(a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Los Angeles County Board of Supervisors:	6.9
Los Angeles County Office of Education:	6.5, 6.6, 6.7, 6.8, 6.9, 6.10
Los Angeles County Auditor-Controller:	6.7, 6.8, 6.9, 6.10
Los Angeles County Office of the Treasurer-Tax Collector:	6.7, 6.8, 6.9, 6.10
Los Angeles County School Districts, below:	6.1, 6.2, 6.3, 6.4

ABC Unified School District
Acton-Agua Dulce Unified School District
Alhambra Unified School District
Antelope Valley Joint Union High School District
Arcadia Unified School District
Azusa Unified School District
Baldwin Park Unified School District
Bassett Unified School District
Bellflower Unified School District
Beverly Hills Unified School District
Bonita Unified School District
Burbank Unified School District
Castaic Union School District
Centinela Valley Union High School District
Charter Oak Unified School District
Claremont Unified School District
Compton Unified School District
Covina-Valley Unified School District
Culver City Unified School District
Downey Unified School District

Duarte Unified School District
East Whittier City School District
Eastside Union School District
El Monte City School District
El Monte Union High School District
El Rancho Unified School District
El Segundo Unified School District
Garvey School District
Glendale Unified School District
Glendora Unified School District
Gorman Joint School District
Hacienda La Puente Unified School District
Hawthorne School District
Hermosa Beach City School District
Hughes-Elizabeth Lakes Union School District
Inglewood Unified School District
Keppel Union School District
La Cañada Unified School District
Lancaster School District
Las Virgenes Unified School District
Lawndale Elementary School District
Lennox School District
Little Lake City School District
Long Beach Unified School District
Los Angeles Unified School District
Los Nietos School District
Lowell Joint School District
Lynwood Unified School District
Manhattan Beach Unified School District
Monrovia Unified School District
Montebello Unified School District
Mountain View School District
Newhall School District
Norwalk-La Mirada Unified School District
Palmdale School District
Palos Verdes Peninsula Unified School District
Paramount Unified School District
Pasadena Unified School District
Pomona Unified School District
Redondo Beach Unified School District
Rosemead School District
Rowland Unified School District
San Gabriel Unified School District
San Marino Unified School District
Santa Monica-Malibu Unified School District
Saugus Union School District

South Pasadena Unified School District
 South Whittier School District
 Sulphur Springs Union School District
 Temple City Unified School District
 Torrance Unified School District
 Valle Lindo School District
 Walnut Valley Unified School District
 West Covina Unified School District
 Westside Union School District
 Whittier City School District
 Whittier Union High School District
 William S. Hart Union High School District
 Wilsona School District
 Wiseburn Unified School District
 Antelope Valley Community College District
 Cerritos Community College District
 Citrus Community College District
 El Camino Community College District
 Glendale Community College District
 Long Beach Community College District
 Los Angeles Community College District
 Mt. San Antonio Community College District
 Pasadena Area Community College District
 Rio Hondo Community College District
 Santa Clarita Community College District
 Santa Monica College District

VII. ACRONYMS

AV	Assessed Value
BANs	Bond Anticipation Notes
CABs	Capital Appreciation Bonds
CDIAC	California Debt and Investment Advisory Commission
CIBs	Current Interest Bonds
CGJ	Civil Grand Jury
COPs	Certificates of Participation
EMMA	Electronic Municipal Market Access
FY	Fiscal Year
GFOA	Government Finance Officers Association
LACOE	Los Angeles County Office of Education

VIII. COMMITTEE MEMBERS

Rene Childress	Co-Chair
Arun Sharan	Co-Chair
Judy Goossen Davis	Secretary
Bart Benjamins	
Victor H. Lesley	
Sandy A. Orton	
Cynthia Vance	

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ETO₂V:

EVERYBODY TURN-OUT TO VOTE

ETO₂V

EVERYBODY TURN-OUT TO VOTE

I. EXECUTIVE SUMMARY

The Civil Grand Jury (CGJ) is concerned about dismal voter turn-out in recent primary and general elections. In Los Angeles County just 17% of registered voters voted in the June 2014 primary¹ and the recent City of Los Angeles election turn-out was even worse. Only about 1 in 10 registered voters bothered to cast votes in the March 3, 2015, election.² While turn-out is expected to greatly increase in the 2016 Presidential Primary and General Elections because there is no incumbent running for president,³ it is a sad fact that disappointing turn-out will likely continue to be a problem in mid-year and local elections.

When turn-out is low our democracy suffers. Fewer voters pick the winners in campaigns for elected office. People are disconnected and may pay little attention to issues of local, state, and federal importance, leaving a rarified small percentage of citizens to make decisions.

The inquiry of the CGJ into the state of elections in Los Angeles County, however, revealed several reasons for hope that the county electorate will carry forward the wave of enthusiasm generated by the 2016 Presidential Election.

Most importantly, county citizens can look forward to new voting machines which will replace the archaic machines on which the county has conducted elections since the 1960s (since the early 2000s by means of the InkaVote mechanism). The new machines will debut county wide in time for the 2020 elections and will be tested, the Los Angeles County Registrar-Recorder/County Clerk (RR/CC) hopes, in elections prior to those. The county is leading the way in developing the new technology and the rest of the nation is watching, eager to see if it can address the host of issues that aging machines have presented in elections since 2000.⁴

¹ <http://elections.cdn.sos.ca.gov/sov/2014-primary/pdf/03-voter-participation-stats-by-county.pdf>

² http://www.huffingtonpost.com/2015/03/04/los-angeles-voter-turnout_n_6803574.html

³ Interview with the Los Angeles County Register-Recorder/County Clerk (RR/CC), October 9, 2015. Election statistics verify his statement. In the last presidential election in which no incumbent was on the ballot, 2008, the Los Angeles County turn-out was more than 78% of registered voters. http://elections.cdn.sos.ca.gov/sov/2008-general/3_voter_part_stats_by_county.pdf In 2012, when President Obama ran for re-election, the Los Angeles County turn-out was 68%. <http://elections.cdn.sos.ca.gov/sov/2012-general/03-voter-participation-stats-by-county.pdf>

⁴ Weise, Karen, "In Los Angeles, Voting Is Getting the Silicon Valley Treatment: Los Angeles County has designers looking at the voter experience and upgrading election technology accordingly. But in a tightly regulated business dominated by just four companies, could it happen nationwide?," [Bloomberg Politics](http://www.bloomberg.com/politics/articles/2015-07-11/in-los-angeles-voting-is-getting-the-silicon-valley-treatment), July 11, 2015. <http://www.bloomberg.com/politics/articles/2015-07-11/in-los-angeles-voting-is-getting-the-silicon-valley-treatment>

The new machines will use state-of-the-art technology to create an entirely new voting experience, including Interactive Sample Ballots (ISB), voting at any conveniently-located vote center (both before and on Election Day) rather than at a traditional precinct, and Election Day registration. The novelty and ease of this soon-to-be-reality should generate the interest of and engagement by voters across all demographics.

In the meantime, the CGJ urges the RR/CC to utilize whatever means are available to engage the eligible electorate to register and vote. Voter demographics are changing and messages that motivate people to participate must also change with the times. The numbers of those who permanently Vote By Mail (VBM) is growing. On-line registration has boosted numbers of younger voters. Social media can be an inexpensive and effective way to capture the attention of voters who might toss mailers in the recycle bin or who have stopped consuming news on television. Creative approaches to reach voters and urge them to cast their ballots must be employed.

In the future perhaps voting will be conducted on-line, and inconvenience will no longer excuse those who fail to participate. But until voters can be assured of the security of such a system, on-line voting will be too controversial to implement.

II. BACKGROUND

Currently there are 4,834,496 registered voters in Los Angeles County, however more than 6 million people are eligible to vote.⁵ Put another way, there are more registered voters in Los Angeles County than there is total population in each of 27 states.⁶

For whatever individual reasons – inconvenience, confusion, and apathy – too many registered voters in the county do not cast ballots causing turn-out to plummet. The CGJ believes that voting is not only one of the most important individual rights citizens have and every citizen’s responsibility, but also that participation and engagement creates the foundation for civic health. Los Angeles County, through its RR/CC, must encourage people to vote by making it easier for them to do so.

A. Early Voting

At present Los Angeles County has just one location that allows voters to vote before the date of an election. The location for Early Voting is in Norwalk at the headquarters of the RR/CC. This office is open 29 days before each county wide election for Early Voting.⁷

The basis for having only one location for Early Voting at this time is two-fold: first, different areas of the county vote on different matters, requiring different “ballot groups” at the precinct level, and, second, even within precincts the listing of candidates rotates

⁵ <http://elections.cdn.sos.ca.gov/ror/ror-pages/county.pdf>

⁶ <http://www.indexmundi.com/facts/united-states/quick-facts/all-states/population#chart>

⁷ <http://www.lavote.net/home/voting-elections/voting-options/early-voting>

in order to ensure that no candidate receives a preferential location on every ballot. In the 2014 General Election in Los Angeles County, for example, 396 ballot groups were used.⁸ Voting locations other than the headquarters of RR/CC will not have access easily to all ballots and, therefore, Early Voting at these other locations cannot take place.⁹ Just 1,549 people availed themselves of Early Voting in Norwalk for the 2014 General Election.

RR/CC, however, has established a working group to look into the feasibility, resources, and costs of setting up other Early Voting locations for the November 2016 Presidential General Election. That group also has been asked to look into a “will call” system for Early Voting at various locations. The “will call” system allows voters to call RR/CC to make an appointment for Early Voting at a pre-designated location other than at the headquarters.

The working group should have comments and conclusions on these subjects by May 2016.

Significantly, RR/CC is well into development of a new voting machine, discussed in greater detail below, which will utilize computer technology. The new Ballot Marking Devices (BMD) will enable a voter to visit and cast a vote at **any** vote center throughout the county beginning 10 days prior to Election Day, which includes two weekends. The number of centers would increase on Election Day. It is estimated that in the future there will be more than 240 vote centers available during the early voting phase of each election, and about 645 centers on Election Day throughout the county.

B. Voter Outreach

The CGJ believes that RR/CC must use various media to connect with voters in advance of any election. The RR/CC currently assigns a representative of the department to appear on all manner of local news programs on weekdays and on weekends to discuss registration, Vote By Mail (VBM), Election Day issues and to urge citizens to register and vote. In this connection, RR/CC, the California Secretary of State, and Metro have reached an agreement to allow “branded” voter outreach messaging on buses, trains, and transportation shelters. The CGJ supports this type of public information effort.

Still, traditional media is very expensive, as noted below, and, further, reaches a progressively smaller segment of voters. Many voters, especially younger voters, no longer listen to radio or watch television the traditional way, but instead stream programs at their convenience, completely bypassing local news broadcasts unless there is a disaster.¹⁰

⁸ “Media Kit November 4, 2014, General Election,” Los Angeles County Registrar-Recorder/County Clerk, p. 7. https://www.lavote.net/Documents/News_Releases/11042014_MEDIKIT.pdf

⁹ <http://www.lavote.net/home/voting-elections/voting-options/early-voting>

¹⁰ Lay, Scott, “The Nooner,” April 2, 2016. www.aroundthecapitol.com/nooner/

1. Social media

The CGJ notes that older voters habitually fulfill their civic duty and are among the most reliable voters. The younger generation, however, receives its motivation to vote in a different manner, although a recent report by the Secretary of State highlighted that thousands of young California voters registered to vote online in recent months,¹¹ indicating perhaps that the Presidential General Election itself is inspiring the new registrations.

With younger voters in mind, the CGJ discussed the use of social media with RR/CC and is encouraged that several platforms (Facebook, Twitter, etc.) are already used to spread registration and election-related information to Los Angeles County voters.

The CGJ notes that social media was used quite effectively in Los Angeles Mayor Garcetti's You Tube video to inform Los Angeles drivers about freeway closures required for the recent demolition of the 6th Street Bridge in downtown Los Angeles. The Mayor used a video format in a very catchy manner -- very smooth, "Barry White style" comments while being backed by the Roosevelt High School Jazz Band -- and the video was "shared" by thousands of You Tube viewers in Los Angeles and around the country.

This approach could be a cost effective way for RR/CC to promote its election-related information to younger voters. With the limited resources that have been made available to RR/CC to promote the turn-out to vote campaign, it would be prudent to use these resources to promote voting to the young citizens on social media. RR/CC has a budget for FY 2015-2016 of \$500,000 and has requested a budget of \$750,000 for FY 2016-2017. It is clear, creative approaches to disseminating voter information will have to be used to make this conservative budget as effective as it can be.

Examples abound of clever and inspirational videos that could serve as templates for such messages: a Norman Lear Video that can be viewed on You Tube¹² features the song "Stand By Me" being performed simultaneously by musicians around the world. Its message is one of collective action and mutual support for all people. A political message appears at its conclusion.¹³ Other ideas include holding a contest for private citizens to submit 30 second videos about registering and voting and also enlisting sports and entertainment figures to include messages in their twitter feeds. The CGJ believes our county likely contains a wealth of talent that would, if asked, help RR/CC stretch its budget in a targeted and productive way.

2. Public service announcements

The promotion of a turn-out to vote marketing campaign through the use of PSAs is most effective when they play to the largest possible segment of the population.

¹¹White, Jeremy B., "Youth Vote Boosted by Online Registration in California," Sacramento Bee (March 30, 2016) <http://www.sacbee.com/news/politics-government/capitol-alert/article69108612.html>

¹² <http://www.youtube.com/watch?v=Us-TVg40ExM&sns=em>

¹³ On his website, Mr. Lear expresses his interest in being a person for change in America and he also might be willing to assist with the development of one of these videos to promote the get out to vote campaign. www.normanlear.com

Marketing campaigns for public information purposes, however, as opposed to paid campaign advertising, are diminished by the off-hour times these types of advertisements are aired.

PSAs can be self-produced. They must be submitted by Internal Revenue Code Section 501(c)(3) nonprofit organizations or a government entity. For a minimal fee, the medium that will broadcast the PSA will also produce it to be read on the radio or shown on television. This market is limited by the reduced air time given to these unpaid messages whether they are played on the radio or television.¹⁴

In Los Angeles County, the prime drive-time advertising slots on the radio – 6 a.m. to 9 a.m. and 5 p.m. to 8 p.m. -- are nearly always reserved for paid advertising. In the rare instance when there is air time available during those hours, however, radio stations charge \$350 - \$400 to read a PSA on the air.¹⁵ Consequently, the only times slots routinely available for PSAs are very late at night until 5 a.m.

The airing of PSAs on television is even less likely to happen during the prime time hours of 6 p.m. to 10 p.m. because the earlier hours are filled with paid advertising purchased months in advance by local advertisers and the later hours with advertising by national interests. Local television stations quoted prices that started at \$20,000 per 30 seconds of advertising for local programs and substantially more for advertisements that air during nationally televised programming.¹⁶

Messaging of this type is not likely to be a cost effective way to reach potential voters.

C. Vote By Mail

In the United States absentee balloting was introduced by President Lincoln. During the Civil War soldiers in the field cast ballots in the 1864 election. During the early part of the 20th Century many states adopted this type of voting to limited segments of the population including railroad workers, government employees out of state, military voters away from home, the sick and elderly included. By World War II almost every state had adopted some form of absentee voting. Until quite recently most states required voters to explain to election officials why they were unable to get to the polls and some voters were requested to sign notarized affidavits. Prior to 1965, just 5% of voters nationwide cast absentee ballots in all elections.¹⁷

The Voting Rights Act of 1965, and later amendments, led to a broader interpretation of the right to vote and restrictions on absentee voting no longer exist in most states. In the 1970s a number of states, particularly in the West, began to loosen existing requirements on voters. In 1978, for example, California extended absentee voting to any voter “on request” and in 2001 extended permanent “no-excuse” voting to any voter who simply wished to bypass the polls on Election Day.

¹⁴ Interviews with various station managers in the Los Angeles media market.

¹⁵ Ibid.

¹⁶ Ibid.

¹⁷ Espejo, Roman, Voter Fraud, Greenhaven Press (2010), p. 60.

By 2012, 51% of all votes cast in California in the Presidential General Election were on VBM Ballots.¹⁸ There may be a generational tilt toward their use by older voters. The founding director of the University of California, Davis “California Civic Engagement Project” also concluded that for many young voters “the idea of putting a postage stamp on the envelope is an odd concept.”¹⁹

There is no question, however, that VBM presents a convenient way for a majority of voters to cast their ballots. There are approximately 4.8 million registered voters in Los Angeles County, and nearly 1.5 million of them, or 31%, are designated as permanent VBM. In the 2012 General Election 975,828 VBM ballots were returned to the RR/CC.²⁰ A recent change in California law, effective January 1, 2015, allows a three-day grace period for VBM ballots to reach RR/CC and still be counted, if they are postmarked no later than Election Day,²¹ a reform which is intended to assure that as many votes are counted as possible. Another such reform permits RR/CC to contact voters up to seven days following Election Day to correct a missing or non-matching signature.²²

RR/CC is in the process of developing a new vote by mail packet in response to feedback on the usability of the current VBM packet and ballot. This involves a new, larger format allowing voters to mark the ballot directly next to the relevant races, which will be grouped by each local, state and federal contest; judicial contests; ballot measures; and county, school and other district offices. This layout dispenses with the “computer card” ballot entirely and is larger and easier to read. Also involved are upgrades regarding simplicity of instructions, size of the security sleeve, and testing of overall voter success in returning a completed ballot. This process is in the final stages and has been presented to selected interested members of the community for their comments.

Three states -- Oregon, Washington and Colorado -- conduct all of their elections by mail. None of them, however, has an electorate that is as large as that in Los Angeles County.²³ The RR/CC stated the size and population of Los Angeles County prohibits a 100% VBM election, and he is committed to running “dual elections.” Suggestions to send VBM ballots to all registered voters have been abandoned.

¹⁸ <http://elections.cdn.sos.ca.gov/sov/2012-general/03-voter-participation-stats-by-county.pdf>

¹⁹ Ibid.

²⁰ Of those, 5,596 ballots, or 0.96%, were challenged. The number of VBM ballots challenged was supplied by RR/CC. Based on these figures the CGJ estimates that the number of disqualified votes in Los Angeles County VBM ballots is very small. RR/CC has said most challenged votes relate to either a lack of signature or a signature which does not match records. Attempts are then made to reach the voter and have the voter file a new affidavit or cast his or her vote in time for Election Day.

²¹ Cal. Elections Code section 4103.

²² Cal. Elections Code section 3019 “(f)(1) (A) Notwithstanding any other law, if an elections official determines that a voter has failed to sign the identification envelope, the elections official shall not reject the vote by mail ballot if the voter does any of the following: (i) Signs the identification envelope at the office of the elections official during regular business hours before 5 p.m. on the eighth day after the election. (ii) Before 5 p.m. on the eighth day after the election, completes and submits an unsigned ballot statement . . . (iii) Before the close of the polls on election day, completes and submits an unsigned ballot statement, in the form described in clause (ii), to a polling place within the county or a ballot dropoff box.”

²³ The most recent update of registered voters in Los Angeles was 4.8 million voters. <http://elections.cdn.sos.ca.gov/ror/ror-pages/county.pdf> Washington has 4.0 million registered voters. <http://www.sos.wa.gov/elections/> Colorado has 2.9 million registered voters. <http://www.sos.state.co.us/pubs/elections/VoterRegNumbers/VoterRegNumbers.html> Oregon has 2.2 million registered voters. <http://sos.oregon.gov/elections/Pages/electionsstatistics.aspx>

D. Development of Updated Ballot Marking Devices: New Voting Machines and a New Voting Experience for Voters

1. The new machine

The new voting experience being designed by the RR/CC will make many changes to the current voting process. This new voting experience includes an interactive sample ballot, VBM, early voting, weekend voting, vote centers to replace precinct polling places, and Election Day registration.

Key to this experience is a completely re-conceived ballot marking device which will replace the InkaVote system currently used by RR/CC.

2. A new voting experience

In this new voting experience, it is conceived that a voter will be able to visit **any** vote center. Early voting will take place at centers throughout the county. The number of centers would increase on Election Day. It is estimated that there will be more than 240 voting centers during the early voting phase of a primary or general election, and about 645 centers on Election Day throughout the county. These centers could be located at post offices, libraries, universities and any governmental building of the city or county, among other public sites. Additionally, there are opportunities for public/private partnerships by utilizing commercial venues to broaden outreach capabilities. There will no longer be **assigned** polling places which an individual must use to cast his or her vote.

Vote Center check-in will include use of real-time electronic voter rolls (e-pollbooks) to verify voter eligibility. While providing maximum convenience for the voter, this also assures that the voter has not already voted at another center or through the mail. Voters provide signatures, as they currently do, during this check-in process. Same day registration (on Election Day) will be available using the voter registration system at a certain number of locations. This process will immediately add the new voter to the electronic voter rolls.

After check-in is complete, voters will be directed to a machine, called a Ballot Marking Device (BMD), to mark their ballots. Once a voter inserts the paper ballot which he or she received at check-in, the BMD will display that voter's appropriate ballot style. There can be approximately 500 different ballot styles for any given election.

A voter will be able to pre-mark his or her selections on an Interactive Sample Ballot (ISB), made available to voters prior to the voting period, and then may simply scan the QR code²⁴ generated by the ISB to load his or her selections on the BMD. The ISB is being developed to allow voters to make ballot selections and generate a QR code with their selections embedded. If the voter does not pre-mark selections on the ISB, he or she will mark the ballot using the touch screen surface on the BMD.

²⁴ A "quick-response" code (QR) is a two-dimensional barcode which is widely used in industry and consumer advertising. Characteristics include fast readability, high data storage capacity, and reliability even when partially damaged.

When the voter has completed marking his or her ballot, the machine will show the voter exactly what choices he or she has selected, and the voter will then be prompted to verify those selections. The voter has the option to make changes if necessary. When satisfied, the voter designates completion and the BMD produces a paper ballot. The paper ballot has both the QR code and human readable text on it. The voter may then verify the selections printed on the paper ballot. Once verified, the ballot is deposited into the BMD's integrated ballot box. The paper ballot is the official ballot of record and, consistent with the current process, serves as an audit trail for any recount or other purpose.

The BMD is designed to be completely accessible to voters with a varying range of requirements and preferences, and to provide a private voting experience to each voter. It allows for configuration of the touchscreen interface, including language selection. It also provides an audio ballot option, with headphones and a tactile keypad. Finally, it provides ports for voters who wish to connect assistive technology devices. Images of the newly designed BMD, provided to CGJ by RR/CC and reprinted with permission from the RR/CC, are on the opposite page.

If a voter arrives at a vote center with a completed vote by mail (VBM) ballot, he or she can simply drop off the voted ballot at the vote center. If the voter prefers, the ballot can be surrendered and he or she can vote in person using a Ballot Marking Device (BMD) through the vote center process. VBM ballots will continue to be mailed back to RR/CC up to and including Election Day.

Neither the cost per machine nor the number of total machines needed at each vote center has yet been determined.

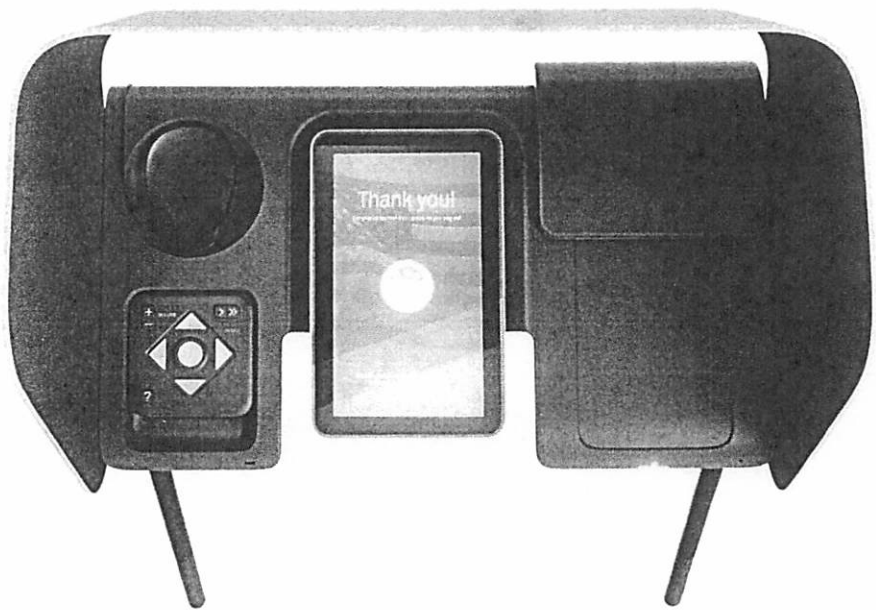
To date, the county has invested approximately \$11.2 million in the research, design and development of new voting system technologies.²⁵ These expenses include costs associated with the development of design and engineering specifications for the new BMD, as well as the development of the tally system framework.²⁶ The county has committed an additional \$4.6 million for the completion of the project's current design and engineering phase. Initial funding was provided through a Productivity Investment Fund grant from the Los Angeles County Quality and Productivity Commission. The bulk of the investment made to date by Los Angeles County as well as a considerable portion of the cost to manufacture and deploy the new system will be reimbursed to the county through dedicated funds established for such purposes under the federal Help America Vote Act (HAVA)²⁷ and California Proposition 41(Voting Modernization Bond).²⁸

²⁵ The County of Los Angeles hired IDEO to build the new, modular system intended to adapt over time. It is designed, developed and owned by the county. <https://www.ideo.com/work/one-device-for-all>

²⁶ This is the system that actually counts the paper ballots. It consists of high-speed document scanners which convert the paper ballots to images, and the software that processes the images in order to read the QR codes and tallies the votes they contain.

²⁷ http://www.eac.gov/about_the_eac/help_america_vote_act.aspx

²⁸ <http://www.sos.ca.gov/elections/voting-systems/laws-and-standards/voting-modernization/>



E. Voting in the Future: On-line Voting or Random Electors

Early Voting will be a certainty with the same time allotted for all methods. Physical voting at a predetermined location will always be available, although the number of physical locations will decrease, and VBM will always be an option.

Dismal voter turnout will continue to be a problem in off-year and minor local elections.

The act of voting should be made easier so that the habit of voter participation will be established. When Los Angeles County's new voting system is implemented over the next few years, beginning in 2018, voting at a physical location will have reached its potential. Any further improvements will be minor tweaks. VBM is in the same situation. Only on-line voting has major developmental potential.

When voting evolves, however, to the point where on-line and VBM predominate, it makes sense for voters to be restricted to choosing to either cast their ballots on-line or by permanent VBM, with voting at a physical location perhaps only available for major elections. Such a change would accomplish the goals of lowering the cost of conducting minor local elections (and allow them to be held at any time) and also greatly relieving voter fatigue.

1. Basis for public resistance

On-line voting will continue to evolve despite misgivings by many opponents. A primary concern about this method is the current state of electronic security. Potential risk of vote count impropriety exists in all methods of voting and the use of on-line voting cannot be determined by selectively looking only at these risks. If there is any doubt of the security of data, the CGJ advises that the opponents examine current encryption methods. There are also sophisticated safeguards used by banks and credit card issuers for processing payments, deposits, and money transfers which could be modified for use in a secure voting environment. The CGJ believes a secure method of on-line voting can and should be created.

2. A model for implementation

In our opinion, the following is an example of how on-line voting could be implemented today, and it can only be improved as technology moves forward.

- The county vote center will use a dedicated secure server which will be loaded with an up-to-date Voter Registration Roll (already available) and a ballot dataset (which contains the image of the ballot) created anew for each election. The ballot dataset is controlled by a unique number preceded by location (city) and vote center to provide the proper ballot group for a voter. It will also have areas for issuance, reception, and recount information.

- A Voter App will be developed for voter use and have only 3 options: “request ballot,” “vote on my device,” and “cast ballot.”
- Voters will be able to download the Voter App when registering and selecting “On-Line” as the voting option.
- A onetime access to the voting server will then be authorized where the request will be validated and the voter’s system certified for compatibility. If qualified, a voter will be able to download a personalized copy of the Voter App and be eligible to vote on-line.
- The voting process will begin when a voter requests a ballot for the current election. When the request is validated by the server, the appropriate ballot will be encrypted, downloaded and the ballot dataset will be updated.
- The voter records his or her votes which are allowed to be changed prior to casting the ballot. When the ballot is cast, the voter’s selections are printed, encrypted, and uploaded to the server where the ballot dataset is updated with the chosen selections.
- If a redundant voting record is deemed necessary, in order to provide a “paper ballot” as the official ballot of record, an inexpensive USB recording device and a postage paid return envelope will be included with the voter’s sample ballot. This device will be written with voting choices at the time the ballot is cast. The voter will then return the USB device to the county vote center where it will be available if a recount is necessary.

3. Beyond “one man, one vote”: random electors

Another model imagines that a pre-determined number of voting citizens, selected at random, would become electors with the power to vote in a given election. The government would pay each elector a substantial sum to ensure their voting.²⁹ The exact details are not important here.

The important idea is that a small number, but not too small, of registered voters be selected and given the right to vote. They will then be paid to vote. Using voter registration rolls for selecting “electors” could additionally and dramatically increase the number of citizens who register to vote. Many changes to voting laws at all government levels would, of course, be necessary to implement this idea, but if voter turn-out

²⁹ Jason Brennan, Lisa Hill, *Compulsory Voting: For and Against*, Cambridge University Press (2014), Chapter 2. (“In a voting lottery, all citizens have the same equal fundamental political status. While in universal suffrage, every citizen has one equal vote, in a voting lottery, every citizen has *equal eligibility* to vote. Elections proceed normally, with candidates working to gain support from voting-lottery eligible citizens. Shortly before the election, the system selects a pre-determined number of citizens at random. These citizens—and these citizens only—become “electors”, imbued with the power to vote. To ensure turnout, the government pays each elector a substantial sum to vote. [footnote omitted] They are not forced to vote. We might perhaps ask them to sign a contract committing them to voting (in exchange for the payment), and then allow them to be punished for breach of contract if they renege. This involves compulsion, but only compulsion to which citizens genuinely consent.”)

languishes we may as a society need to completely reform how decision making takes place.

III. METHODS AND PROCEDURES

The CGJ conferenced on several occasions with the RR/CC and visited that department's headquarters in Norwalk. Presentations, reports, exemplars, and other documents provided by the department were reviewed.

Members read academic research and reviewed studies pertaining to the voting experience in California and other states.

Members contacted media companies and inquired about their policies and procedures with regard to public service announcements.

IV. FINDINGS

1. Early Voting currently begins 29 days before Election Day only at the office of the RR/CC, 12400 Imperial Highway, in Norwalk. Early Voting has been available at this location for at least 10 years.
2. In non-presidential election years, turnout at the Norwalk Early Voting location is generally about 1,500 voters. In presidential election years, particularly when the office of president does not have an incumbent, voters utilize the Early Voting location in Norwalk at ten or eleven times that rate.
3. Prospective Early Voting locations must be functional and secure.
4. The RR/CC has formed a working group to study expanding Early Voting in Los Angeles County before Election Day.
5. A pilot project may be put in place to open one or two "will call" ballot pick up centers in each of the supervisorial districts for the June 2016 primary.
6. Additional Early Voting sites may be added for the Presidential General election in November 2016.
7. Radio and television stations charge for advertisements depending on the popularity of the show during which the advertisement is to run. Public service announcements are also run, but only when other advertisers have not purchased time slots.

8. The RR/CC's budget for voter outreach is \$500,000 for the fiscal year ending June 30, 2016. The RR/CC is requesting \$750,000 for fiscal year 2016-2017. This amount is still not enough to promote the turn-out to vote campaign on television, radio, and other forms of communication mediums.
9. The RR/CC has negotiated package deals with media companies that include placement of turn-out-related "branded" announcements on a range of locations: billboards, kiosks, etc., across a range of businesses in the county.
10. The California Secretary of State has negotiated a deal with Metro to provide coordinated "branded" voter outreach messaging on bus shelters and buses.
11. Vote By Mail (VBM) ballots are most commonly challenged for lack of a voter signature on the return envelope.
12. If a voter's signature does not compare with the signature affidavit on file (according to the automated signature verification software), the envelope is reviewed manually. Voters in this situation are contacted and provided the opportunity to sign a new affidavit. A new state law, codified in California Elections Code section 3019 (f)(1) (A), permits the RR/CC to request such a new affidavit up to seven (7) days following Election Day.
13. A recent change in California law, codified in California Elections Code section 4103, permits VBM ballots postmarked on Election Day to be counted if they are received no later than three days after Election Day.
14. New VBM ballots are being designed and may be used in the 2018 election cycle.
15. When implemented, the new interactive sample ballot (ISB) is planned to be able to automatically populate a voter's ballot with his or her choices before the voter enters the vote center. Changes to those choices can be later made by the voter when he or she is using the completely redeveloped ballot marking device (BMD), before the official paper ballot is generated.
16. When implemented, the new voting experience is planned to include the ISB, expanded Early Voting (including weekend voting), Election Day registration, vote centers to replace precinct polling places, and new BMDs.
17. After implementation of the new BMD, Early Voting is planned at numerous locations around the county. For about 10 days before Election Day, there will be many early/weekend vote centers available, the quantity of which will more than double on Election Day.
18. Voting roll books are planned to be replaced by real-time electronic voter rolls to verify voter eligibility.

19. Many special requirements are planned to be accommodated on the new BMD such as a touchscreen interface, language selection, audio input, headphones, a tactile keypad and ports for voters to connect assistive technology devices. The new BMD is planned to be completely accessible and provide a private voting experience for each voter
20. The new BMD is planned to replace the currently-used InkaVote machines. The new machines are being developed using federal Help America Vote Act (HAVA) funds and will employ computer technology that will create a paper ballot that will be the official ballot of record.
21. The \$55 million still available is adequate to complete development and testing of the new BMD.
22. The purchase of new BMD will require additional funding.

V. RECOMMENDATIONS

- 7.1 Los Angeles County should give full financial support to the Registrar Recorder/County Clerk's efforts to bring the new voting system to fruition.
- 7.2 Los Angeles County and the Registrar Recorder/County Clerk should make all reasonable efforts to develop and test the new BMD so that the new machines are able to be used county wide no later than the 2020 election.
- 7.3 Los Angeles County and the Registrar Recorder/County Clerk should offer the new voting system, which is the most up-to-date technological method for secure voting, to other counties throughout the nation for a reasonable fee.
- 7.4 Los Angeles County and the Registrar Recorder/County Clerk should provide a minimum of five additional, secure Early Voting sites in the county for the 2016 Presidential General Election and also allow VBM ballot drop off at each site.
- 7.5 Los Angeles County and the Registrar Recorder/County Clerk should allocate funding to provide additional personnel to staff any additional, secure Early Voting or "will call" sites established for the 2016 Primary and Presidential General Elections.
- 7.6 The Registrar Recorder/County Clerk should institute a "will call" system of Early Voting for the next election after 2016, and determine optimal procedures and voter use.
- 7.7 Los Angeles County and the Registrar Recorder/County Clerk should take advantage of free publicity on individual city websites and city cable channels to

promote the upcoming changes in the voting system as each one is implemented.

- 7.8 The Registrar Recorder/County Clerk should address the public meetings of the Los Angeles County Board of Supervisors and all of the cities in Los Angeles County to discuss opportunities for citizen involvement in voter outreach.
- 7.9 The Registrar Recorder/County Clerk should expand its use of social media for voter outreach in future elections, and should consider enlisting the public to help create and disseminate voter outreach messages.
- 7.10 A Registrar Recorder/County Clerk spokesperson should make appearances on morning and evening televised newscasts to discuss and promote the turn-out to vote campaign.
- 7.11 A Registrar Recorder/County Clerk spokesperson should schedule interviews on radio to promote the turn-out to vote campaign.
- 7.12 The Registrar Recorder/County Clerk should publicize the fact that VBM ballots can be postmarked on Election Day and still be counted.
- 7.13 Los Angeles County and the Registrar Recorder/County Clerk should initiate a study and complete it by January 1, 2017, to determine methods to increase the use of VBM ballots, including government payment of return postage and voter outreach regarding VBM procedures.
- 7.14 The Registrar Recorder/County Clerk should reconsider sending a ballot, using business reply envelopes, to each registered voter.
- 7.15 The Registrar Recorder/County Clerk should organize a committee, to meet at least once per year, to re-examine the implementation of on-line voting.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933 (c) and 933.05 require a written response to all recommendations contained in this report. Such responses shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accord with Penal Code Sections 933.05 (a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Board of Supervisors:	7.1, 7.2, 7.3, 7.4, 7.5, 7.7, 7.13
Registrar-Recorder/County Clerk:	7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10, 7.11, 7.12, 7.13, 7.14, 7.15

VII. ACRONYMS

BMD	Ballot Marking Device
BOS	Board of Supervisors
CGJ	Civil Grand Jury
ISB	Interactive Sample Ballot
PSA	Public Service Announcement
RR/CC	Registrar-Recorder/County Clerk
VBM	Vote By Mail

VIII. COMMITTEE MEMBERS

Molly Milligan	Chair
Bruce A. Berke	
Francine DeChellis	
Victor H. Lesley	
Stephen Press	
Cynthia Vance	
George Zekan	



ICE IN L.A.

ICE IN L.A.

I. EXECUTIVE SUMMARY

The Los Angeles County Civil Grand Jury (CGJ) conducted a study to determine the effectiveness of a new program in the screening of undocumented immigrants in Los Angeles County jails.

The primary concern of the CGJ was to ensure that agents of Immigration and Customs Enforcement (ICE) interview, for possible deportation, those undocumented inmates deemed to be a serious public safety threat.

The new procedure from the Los Angeles County Sheriff's Department (LASD) outlined a shift away from the previous policies and procedures. Under the new policy, federal immigration officials are allowed access to inmates who are being released from jail. ICE agents will only be allowed to interview those inmates who have been convicted of serious crimes and are not protected by the California Trust Act.

The Trust Act shields immigrant inmates from ICE agents unless they have been convicted of a serious crime. Inmates are advised of their right to consult counsel before they are turned over to ICE agents.

Public posting of information is instituted to promote transparency and accountability. Monthly audits make sure only Trust Act qualified inmates are transferred to ICE, and only during the standard time period it would normally take to release an inmate.¹

The new procedures in Los Angeles County stand in contrast to those in San Francisco. The Sheriff in San Francisco and other sanctuary cities have banned all collaboration with federal immigration officials except when federal authorities have a court order or a warrant.

II. BACKGROUND

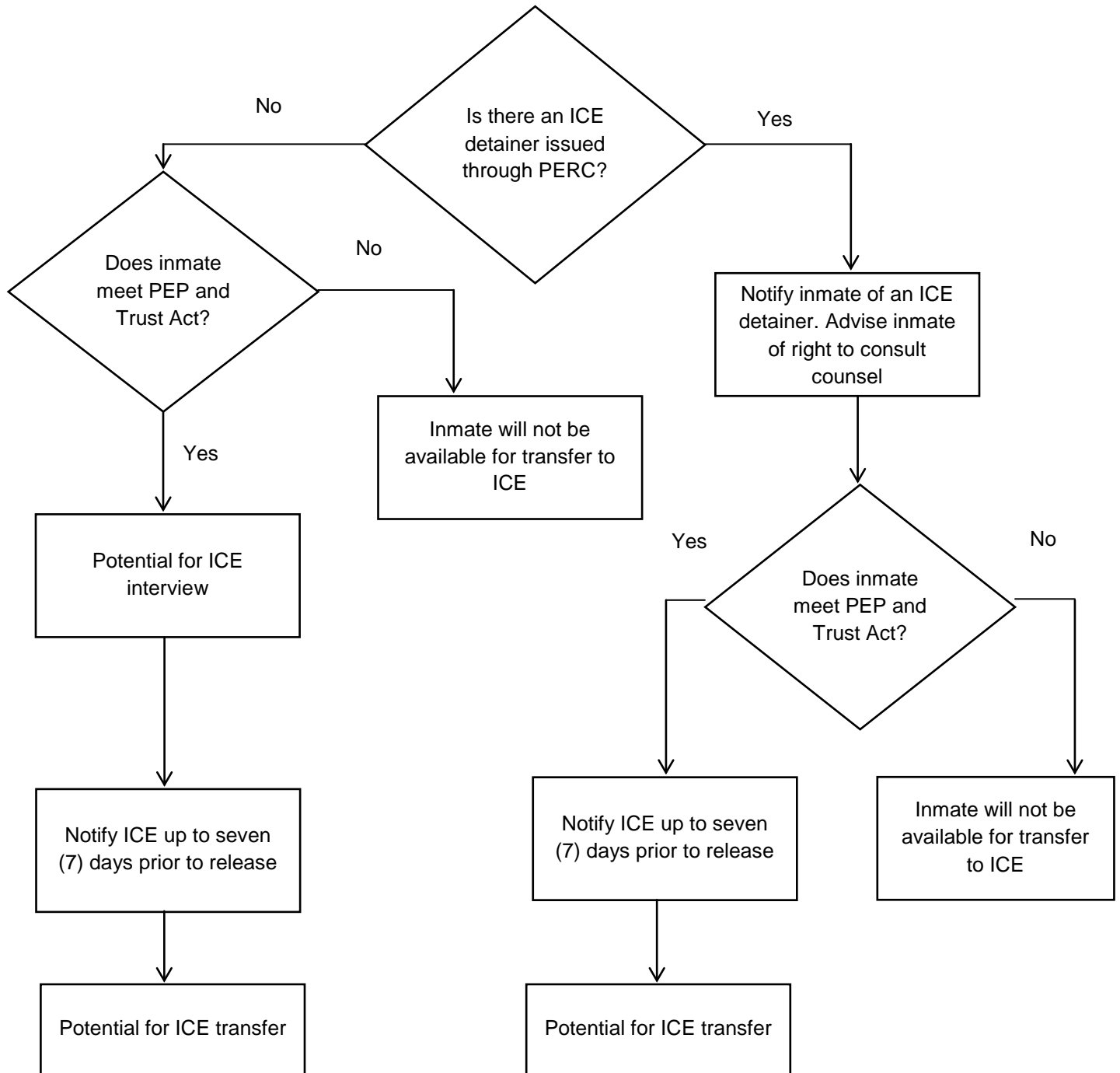
Seven days prior to any inmate's release, LASD provides his or her name to ICE agents. The ICE screening process of inmates to be released at the Inmate Reception Center (IRC) consists of computerized database screening such as fingerprints and is not race-based.

The LASD personnel verify that the inmate's conviction is listed in the California Trust Act. Only after all of the relevant steps are completed can an ICE interview occur,

¹ Letter from Sheriff Jim McDonnell to Board of Supervisors. September 22, 2015 (hereafter "McDonnell letter").

followed by the possibility of an ICE immigration detainer and advice of their right to consult with legal counsel. Figure 1 illustrates the screening process. Some programs identified in it are described in detail later in this report.

Figure 1 – Screening Process Diagram²



² CGJ devised this chart based on information received from LASD. The information contained in this simplified diagram is merely for reference use only and not intended as legal advice or direction. No reliance should be placed upon it for making important decisions.

A. History

In 2005 and again in October 2014 the Los Angeles County Board of Supervisors (BOS) authorized LASD to participate in ICE's 287(g) program. This section of the Immigration and Nationality Act allows local law enforcement officials to perform some of the duties of immigration officers. Five specially trained custody assistants worked with a dozen federal agents within the Los Angeles County jails, interviewing and investigating inmates to determine their immigration status.³ This kind of in-depth screening helped detect deportable inmates whose fingerprints did not show up in the federal database.

On May 12, 2015, BOS voted 3-2 to end the program. The Los Angeles Times reported that this vote was the result of years of pressure from advocates who claimed that it led to racial profiling.⁴ The same day BOS ended the prior agreement, it voted 4-1 to instruct LASD to continue to cooperate with ICE in identifying deportable immigrants being held in the jails which included a new federal initiative called the Priority Enforcement Program (PEP).⁵

BOS directed LASD to report back in 90 days on a strategy for implementation while safeguarding the rights of all. Following this action LASD sought input from a variety of community groups, including "ICE out of L.A.," the Public Defender's Office, the American Civil Liberties Union, the National Immigration Law Center and other immigration groups. These policies were finalized on September 22, 2015.

B. Key LASD practices and principles⁶

- LASD will provide ICE with notification up to seven (7) days prior to an inmate's release. Full access into the County's jails and databases will also be authorized in order for ICE to conduct thorough investigations, ensuring timeframes and procedures are met. During this period of time, ICE will have the opportunity to interview inmates who have ICE immigration detainers and certain other inmates who meet PEP and Trust Act criteria.
- LASD will implement a system for notifying inmates when an ICE detainer is issued. In addition to the notification, inmates will be advised of their opportunity to consult legal counsel.
- ICE agents will be allowed to review the status of all inmates who are being released. This effort helps to identify any and all individuals who may pose a danger and who are within the criteria of both PEP and the Trust Act.
- LASD will validate an inmate's qualification under the Trust Act, prior to in-custody transfer to ICE. All crimes allowable by the Trust Act will be eligible for in-custody transfer.

³ The Times Editorial Board. "No Ice in L.A. County jails." Los Angeles Times 19 May 2015 <http://www.latimes.com/nation/la-ed-ice-agents-in-county-jailos-20150519-story.html>

⁴ Linthicum, Kate. "Immigration agents allowed back in L.A. County jails, with limits." Los Angeles Times 23 Sept. 2015. <http://www.latimes.com/local/lanow/la-me-ln-ice-los-angeles-jails-20150922-story.html>

⁵ Linthicum, Kate. "Immigration agents allowed back in L.A. County jails, with limits." Los Angeles Times 23 Sept. 2015. <http://www.latimes.com/local/lanow/la-me-ln-ice-los-angeles-jails-20150922-story.html>

⁶ McDonnell letter.

- ICE agents will be authorized to interview specific inmates who do not have ICE immigration detainers issued through Pacific Enforcement Response Center (PERC).
- Trust Act/PEP qualified inmates will be transferred to the custody of ICE only during the standard amount of time it would normally take to release an inmate. No inmate will be held beyond the release date based solely on an ICE request.
- To promote transparency and accountability, monitoring and public posting of information will be instituted.

C. Pacific Enforcement Response Center

The Pacific Enforcement Response Center (PERC) is the agency through which ICE issues immigration detainers for immigrants arrested by local law enforcement who are suspected of being in the country illegally.⁷ The center is a key part of the federal government's efforts to identify and deport immigrants convicted of serious crimes.

Immigration authorities issue immigration detainers based on electronic data after gaining access to fingerprints from jail bookings. This is a result of enhanced law enforcement information-sharing after the 2001 terrorist attacks.

D. Priority Enforcement Program ⁸

On November 20, 2014, the Obama Administration announced the new PEP program regarding immigration enforcement. The new policies took effect on January 5, 2015. The Department of Homeland Security (DHS) PEP enables ICE to work with state and local law enforcement to take custody of inmates who pose a danger to public safety before they are released into our communities. PEP was established at the direction of the DHS Secretary and focuses on convicted criminals and others who pose a danger to public safety.

PEP begins at the state and local level when an individual is arrested and booked by a law enforcement officer for a criminal violation and his or her fingerprints are submitted to the FBI for criminal history and warrant checks. This same biometric data is also sent to ICE so that ICE can determine whether the individual is a priority for removal, consistent with DHS enforcement priorities. Under PEP, ICE will seek the transfer of a removable individual who has (1) been convicted of an offense listed under DHS civil immigration enforcement priorities, (2) intentionally participated in an organized gang to further the illegal activity of the gang, or (3) poses a danger to national security.

The policy is primarily about reforms to immigration detainers which will now generally be notification requests, not hold requests for extra detention.

⁷ Taxin, Amy. "Immigration detainers often issued by California Center." *The Associated Press* 19 Sept. 2015. http://home.cableone.net/news/read/category/AP%20Top%20News%20-%20US%20Headlines/article/the_associated_press-immigration_detainers_often_issued_by_california_c-ap

⁸ Department of Homeland Security Website. <https://www.ice.gov/pep>

The three civil enforcement PEP priority levels are described below.

1. Priority one

Priority one focuses on people who are threats to national security, border security, and public safety. This includes: persons suspected of having involvement with gangs, spies, or terrorists; persons convicted of a felony (as defined under state law) or an aggravated felony; and persons apprehended at the borders while attempting to enter unlawfully.

2. Priority two

Priority two focuses on people who are “misdemeanants and new immigration violators.” This includes persons convicted of three or more misdemeanors, not including minor traffic offenses, state convictions where immigration status is an element, and persons with convictions for a significant misdemeanor. A significant misdemeanor is defined as an offense of domestic violence, sexual violence or exploitation, burglary, unlawful possession or use of a firearm, drug distribution or trafficking, driving under the influence, or any misdemeanor for which the person was sentenced to serve 90 days or more in jail. Individuals in this category are not a priority for removal.

3. Priority three

Priority three focuses on people who have other immigration violations. This priority only names those who have been issued a final order of removal on or after January 1, 2014.⁹ Individuals in this category are not a priority for removal.

E. California Trust Act¹⁰

Assembly Bill No. 4, otherwise known as the California Trust Act, went into effect January 1, 2014. It prohibits local governments from turning over immigrants who have committed petty crimes to federal immigration officials. It also prevents California law enforcement officials from detaining an individual on the basis of an ICE hold after that individual becomes eligible for release from custody.

The Trust Act sets the minimum standard across the state to limit immigration holds in local jails. These optional holds are often caused by the controversial federally authorized Secure Communities Program which can hold undocumented immigrants, and even citizens, for an unspecified time, at local expense.

The Trust Act ensures that people with most low-level, non-violent offenses are not needlessly held for deportation purposes. At the same time, it allows holds for most felony convictions and those accused of felonies under certain circumstances.

⁹ Immigrant Legal Resource Center and National Immigration Project of the National Lawyers Guild.

¹⁰ <http://www.catrustact.org/about.html>

III. METHODS AND PROCEDURES

The CGJ gathered the information in this report by undertaking the following tasks:

- developed and submitted a series of written questions to LASD regarding the screening policy of undocumented immigrants,
- interviewed staff at IRC,
- reviewed and analyzed data provided to LASD by ICE,
- reviewed literature found in the Department of Homeland Security website,
- listened to the interview given by the Sheriff to KNBC-TV Los Angeles, CA,¹¹ and
- requested interviews with ICE personnel. The CGJ's requests were denied.

IV. FINDINGS

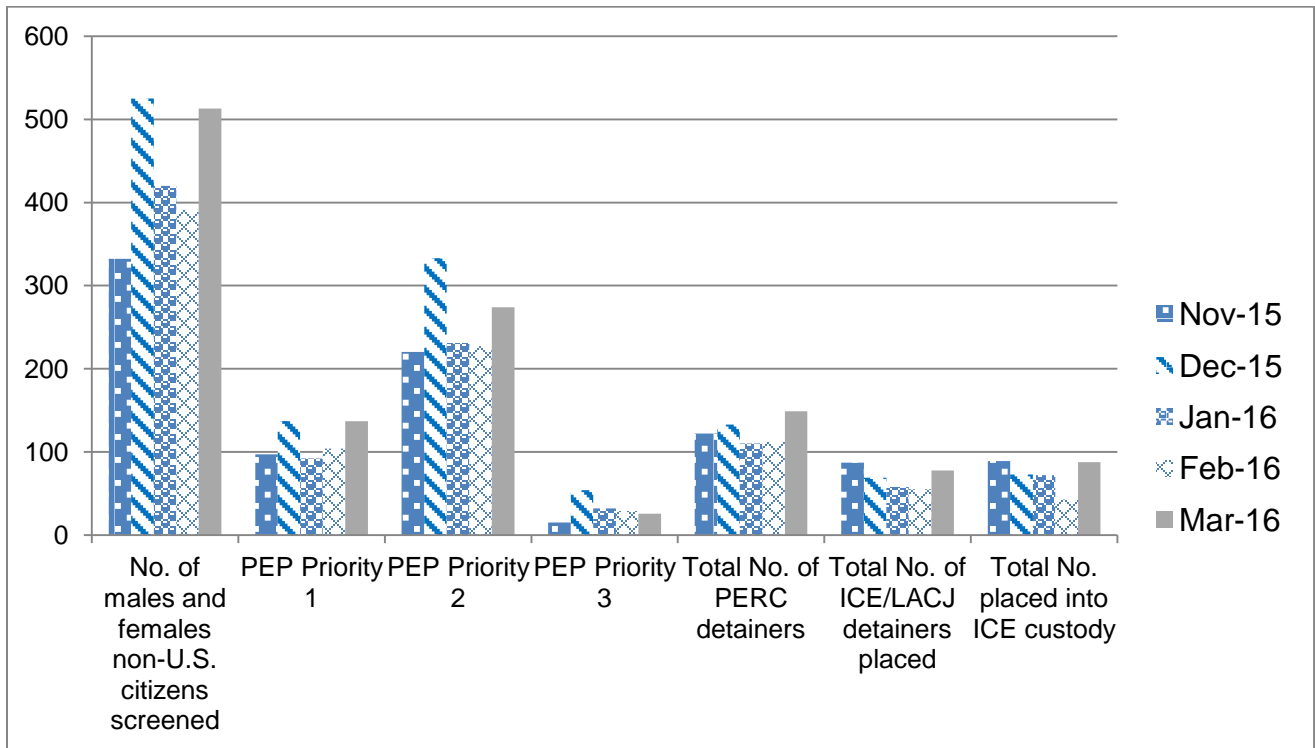
- Inmates who are the subject of a request for notification of immigration detainer from PERC are advised by LASD staff of the existence of the immigration detainer and are advised of their right to consult with legal counsel.
- ICE agents have full access to LASD databases to assist in their computerized screening process to ensure conformance with LASD's release timeframes.
- LASD abides by PEP guidelines as they apply to the county's jails as long as PEP's guidelines do not conflict with the California Trust Act or applicable case law.
- Inmates that fall under PEP but fail to meet the standards established under the California Trust Act will not be available to ICE for transfer.
- Inmates who are subject to a detainer by ICE, and also meet the criteria in the California Trust Act, will be available for potential ICE transfer.
- Only crimes committed while the individual is an adult will be considered as a qualifying crime under the California Trust Act for transfer to ICE.
- LASD notifies ICE up to seven days prior to all inmates' release, which allows ICE to do its vetting ahead of release.
- Inmates will only be transferred to the custody of ICE during the normal period of time it takes for LASD to release an inmate, regardless of any ICE request.

¹¹ Nolan, Conan, KNBC-TV, October 4, 2015 www.nbclosangeles.com/news/...LA-County-Sheriff-Defends-ICE-policy

- The CGJ discovered that no inmate will be detained beyond their date of release regardless of whether or not there is a valid ICE detainer.
- LASD facilitated community meetings seeking input from a variety of stakeholders presenting both sides of the immigration debate.
- Monthly statistical reports from ICE are posted on the LASD website.¹²

Figure 2 illustrates the data provided to LASD by ICE concerning screened inmates and the total number placed into ICE custody.

Figure 2 – Screened Inmates



Source: CGJ devised this chart based on publicly available data on LASD website.

¹² Monthly statistical data is available at <http://www.la-sheriff.org/s2/static/content/info/documents/ICEStatsFeb16.pdf>

V. RECOMMENDATIONS

- 8.1 Los Angeles County and Los Angeles County Sheriff's Department should maintain and increase their relationships with state and federal agencies.
- 8.2 Los Angeles County and Los Angeles County Sheriff's Department should improve their outreach programs in immigrant communities to define current procedures and outline rights afforded under this program.
- 8.3 Los Angeles County and Los Angeles County Sheriff's Department should request that monthly statistical reports provided by ICE include the number of inmates removed by ICE from county jail.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933 (c) and 933.05 require a written response to all recommendations contained in this report. Such responses shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accord with Penal Code Sections 933.05 (a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Los Angeles County:	8.1, 8.2, and 8.3
Los Angeles County Sheriff's Department:	8.1, 8.2, and 8.3

VII. ACRONYMS

BOS	Board of Supervisors
CGJ	Civil Grand Jury
ICE	Immigration and Customs Enforcement
IRC	Inmate Reception Center
LASD	Los Angeles County Sheriff's Department
PERC	Pacific Enforcement Response Center
PEP	Priority Enforcement Program

VIII. COMMITTEE MEMBERS

Cynthia Vance	Co-Chair
Bob Villacarlos	Co-Chair
Sandy A. Orton	

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LAUSD:

FOLLOW THE MONEY

LAUSD: FOLLOW THE MONEY

I. EXECUTIVE SUMMARY

The 2015-2016 Los Angeles County Civil Grand Jury (CGJ) decided to investigate the way that the Los Angeles Unified School District (LAUSD) responded to the challenges and opportunities that the new Local Control Funding Formula (LCFF) presented to the district. The CGJ and the audit firm WatsonRice used the LAUSD Superintendent's Final Budget, FY 2015-2016, Budget Services and Financial Planning Division, as a reference for all budget numbers and projections in this report.

LAUSD is the second largest district in the United States. The LAUSD enrolls more than 650,000 students at over 900 schools and 187 public charter schools. This enrollment is larger than the entire public school enrollment in each of 22 states and the District of Columbia.¹

"LAUSD is also one of the most heavily populated minority districts in the country. Approximately 85% of all the students are Latino, African American or Filipino."² The CGJ believes some schools located within this district have, until recent state-mandated changes, been severely underfunded and underserved.

Years of neglect and inequitable funding failed to address the educational needs of the student population within LAUSD.³ LAUSD needs to direct more resources to its highest need students.

In fiscal year 2013-2014, California Governor Jerry Brown and the legislature changed the way local school districts receive and spend state funding.⁴ The state shifted from funding local school districts based on Average Daily Attendance (ADA) to a new law entitled Local Control Funding Formula.

A. Local Control Funding Formula

The LCFF provides new opportunities for the LAUSD to invest in those pupils most at risk - children from Low-income Families, English Learners, and Foster Youth. The purpose of this investigation is to determine (1) how LAUSD identifies LCFF qualified students, (2) how LCFF supplemental and concentration funds are used (including existing, new and augmented programs), (3) how funds are distributed directly to school, (4) what metrics are used to track and evaluate performance, and (5) what steps are taken to ensure public transparency and accountability on the use of LCFF funds.

¹ National Center for Education Statistics, http://nces.ed.gov/program/digest/d13_203.20asp

² Ibid.

³ Ibid.

⁴ Taylor, Mac, Legislative Analyst, California Legislature, "Updated: An Overview of the Local Control Funding Formula," (updated December 2013). <http://www.lao.ca.gov/reports/2013/edu/lcff/lcff-072913.pdf>

LAUSD follows California Department of Education (CDE) requirements for counting and reporting LCFF Low-income, English Learner and Foster Youth students. This is verified through an annual audit of student counts and reporting as part of the LAUSD comprehensive annual audit, conducted using CDE audit guidelines.

The method for distributing LCFF funds statewide based on the “unduplicated count” of LCFF students underrepresents the needs of students that meet two or all three of the qualifying criteria for LCFF funding, resulting in the underfunding of the programs and services required to meet the needs of these students. CGJ recommends that LAUSD lobby the California Legislature to consider revising the method for distributing LCFF funds statewide based on the “unduplicated count” to an approach that considers the needs of students that meet two or all three of the qualifying criteria for LCFF funding.

B. Funding Received And How It Was Applied By LAUSD

As Exhibit 2 shows, in FY 2013-2014 LAUSD received a total of \$700 million in LCFF supplemental and concentration funds. LAUSD has historically invested in programs and services to support Low-income, English Learner and Foster Youth students. The LCFF funds received in FY 2013-2014 were used to fund the ongoing operations of these programs and services. For FY 2014-2015 LAUSD received a total of \$837.1 million in LCFF supplemental and concentration funds, an additional \$137.1 million compared to FY 2013-2014. LAUSD used these funds to continue investments in programs and services to support Low-income, English Learner and Foster Youth students. In addition, LAUSD expanded a number of programs and services that previously existed, and developed and implemented new programs and services

LAUSD made investments directly in elementary, middle and high schools based on the number and percentage of Low-income, English Learner, and Foster Youth students. It used a duplicated count to determine these investments. CGJ recommends LAUSD continue and expand investment of LCFF funds directly in elementary, middle and high schools in a manner that targets those schools with the largest number or percentage of LCFF qualified and targeted students.

C. Performance Measurement To Ensure Equitable Distribution Of Funding

LAUSD developed performance metrics for each of the key goals established in the Local Control Accountability Plan (LCAP). Performance information provided includes these metrics, as well as historical performance and annual targets going forward. CGJ recommends LAUSD continue its use of a comprehensive set of performance metrics or indicators to track, evaluate, and report progress made toward specific goals using LCFF funds, and make adjustments as new information is obtained and new lessons learned.

D. Transparency And Accountability

LAUSD has put substantial effort into public input, transparency and accountability as part of the LCAP and budgeting process as required by the LCFF legislation. Despite LAUSD's efforts, many school personnel, parents and students feel uninformed about LCFF goals and strategies. CGJ recommends LAUSD continue and expand its public input and feedback efforts as part of the LCAP development process to increase transparency and involvement with students, parents, and school personnel.

II. BACKGROUND

After initial investigation, the CGJ expressed interest in determining how the LAUSD has accounted for and spent funds received during the 2013-2014 and 2014-2015 fiscal years through the State of California's recently enacted education funding allocation formula called Local Control Funding Formula (LCFF). LCFF was enacted beginning in the fiscal year 2013-2014 and provides the LAUSD with more flexibility on how the funds are to be used based on student needs. However, under LCFF, LAUSD is more accountable to show how funds are spent to provide high quality educational programs and improve student outcomes.

The CGJ sought to answer the following questions as part of this investigation.

1. How did LAUSD identify LCFF qualified students?
2. How were the LCFF supplemental and concentration funds used?
3. What new programs and services were instituted with LCFF supplemental and concentration funds?
4. Which existing programs were augmented with LCFF supplemental and concentration funds?
5. How were LCFF funds allocated to schools based on qualified students?
6. What metrics are being used to track and evaluate the impact of LCFF supplemental and concentration Investments?
7. Is LAUSD meeting the LCFF Public Input, Transparency and Accountability requirements?

III. METHODS AND PROCEDURES

The CGJ contracted with the consulting firm WatsonRice to review the way LAUSD distributed LCFF funds. The following outlines the approach used by WatsonRice to answer the CGJ questions.

- Obtained and reviewed information regarding use of LCFF funds by LAUSD including:
 - budget documents and reports,

- local Control and Accountability Plans (LCAPs), including reports and presentations to the LAUSD Board of Education,
- spreadsheets showing the allocation of LCFF supplemental and concentration funds by program,
- correspondence between LAUSD and the County Office of Education (COE) regarding review and approval of the use of LCFF funds and budgets,
- LAUSD Comprehensive Annual Financial Report (CAFR) for FY 2014-2015,
- student Equity Based Index spreadsheets showing the distribution of LCFF funds directly to schools,
- information on performance metrics, including targets and results, for tracking and reporting on the results of investments made with LCFF funds and
- information on efforts and results of community input and feedback efforts.
- Obtained and reviewed information from the California Department of Education including:
 - Local Control Funding Formula legislation, regulations and overview,
 - Funding Snapshot showing LCFF funding provided to LAUSD, as well as the unduplicated LCFF student percentage,
 - guidelines for counting and reporting eligible students under LCFF, and
 - guidelines for auditing counts and reports of eligible students under LCFF.
- Met with LAUSD officials to discuss:
 - the process for identifying and reporting high need students (i.e. English Learners, Low-income students, and Foster Youth),
 - new education programs and/or services instituted with LCFF funds and existing programs and/or services augmented with LCFF funds, and
 - the approach for allocating and distributing LCFF funds directly to schools based on the number and percentage of LCFF qualified students.
- Obtained and reviewed two reports published by the University of California, Berkeley (Cal) on the Local Control Funding Formula.

IV. FINDINGS

The following sections provide an overview of LCFF, as well as information that answers the questions posed by the CGJ regarding LAUSD's use of LCFF funds.

A. Overview Of The Local Control Funding Formula (LCFF)

Legislation enacted in June 2013 simplified the formula for providing state funding to school districts and considers the higher costs of educating Low-income, English Learners, and Foster Youth students. The legislation established uniform per-student base grants with different rates for different grades.

In addition to base grants, the legislation provided for supplemental grants of 20% of the base grant for each student classified as either Low-income, English Learner, or Foster Youth (unduplicated count) and provides concentration grants of 50% of the base to school districts with over 55% of Low-income, English Learner, or Foster Youth students for each student above the 55% level.

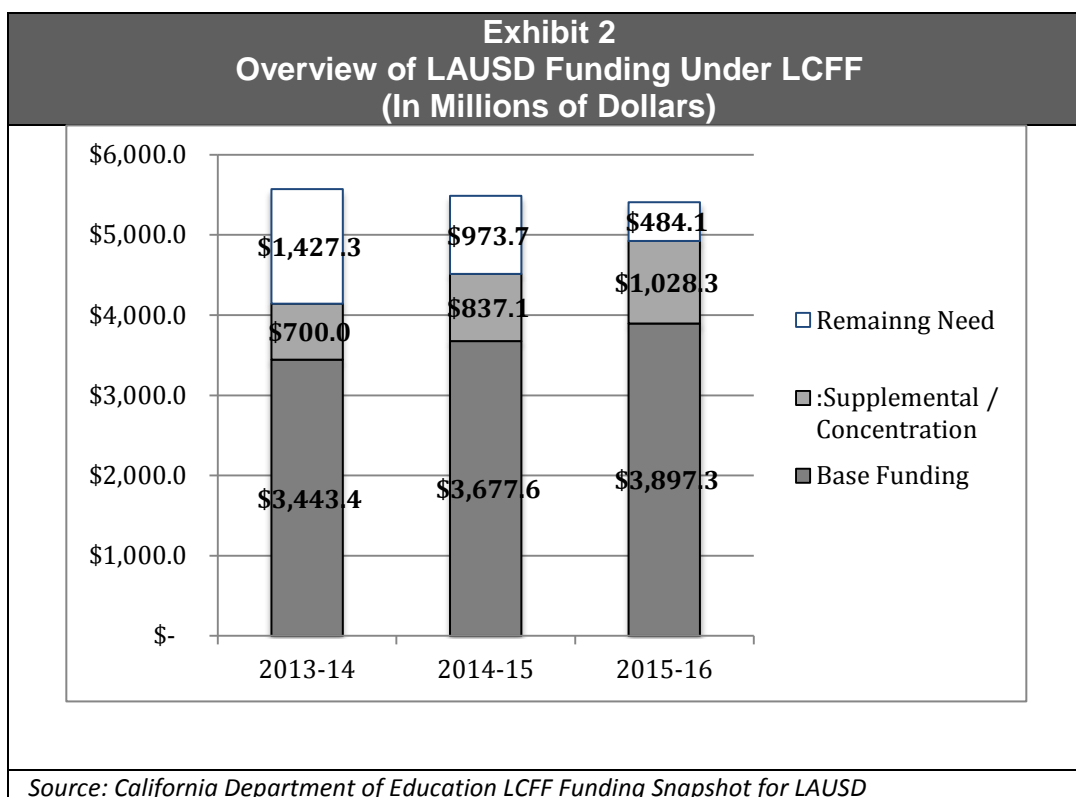
The legislation also requires school districts to develop LCAPs as part of the budgeting process. These LCAPs must include specific goals for improving services and outcomes, define specific actions to reach those goals, and identify funding sources for these programs and strategies. In developing the LCAPs, school districts are required to engage students, parents, teachers and other stakeholders in developing goals, services and outcomes as part of the LCAP development process.

Exhibit 1 shows the funding need calculated for LAUSD under the LCFF for each of the noted fiscal years. This LCFF base funding is calculated based on the total enrollment within LAUSD schools. The supplemental grant funding is based on the percentage of LAUSD students that are Low-income, English Learner, or Foster Youth students. It also shows the actual funding received by LAUSD under the LCFF, as well as the remaining need.

Exhibit 1			
Overview of LAUSD Funding Under LCFF			
(In Millions of Dollars)			
LAUSD Funding Need Under LCFF	FY 2013-14	FY 2014-15	FY 2015-16
LCFF Base Funding	\$3,821	\$3,781	\$3,720
Supplemental Grant Funding	\$647	\$631	\$621
Concentration Grant Funding	\$566	\$539	\$530
Add On Funding	\$538	\$538	\$538
Total LCFF Funding Need	\$5,571	\$5,488	\$5,410
Actual LCFF Funding	FY 2013-14	FY 2014-15	FY 2015-16
LCFF Base Funding	\$3,443	\$3,678	\$3,897
Supplemental/Concentration Grant	\$700	\$837	\$1,028
Total Actual LCFF Funding	\$4,143	\$4,515	\$4,926
Remaining LCFF Funding Need	\$1,427	\$974	\$484
<i>Source: California Department of Education LCFF Funding Snapshot for LAUSD</i> <i>Note: Add on Funding is funding provided to school districts equal to the LEA's 2012-2013 entitlements for the Targeted Instructional Improvement Block Grant, Home-to-School Transportation, and Small School District Bus Replacement Program. These programs were eliminated with the passage of LCFF.</i>			

Exhibit 2 shows the actual Supplemental and Concentration Grant funding received by LAUSD totaled \$700 million in FY 2013-2014, \$837 million in FY 2014-2015, and \$1.028 billion in FY 2015-2016.

Exhibit 2 additionally shows the LAUSD base and Supplemental / Concentration funding by fiscal year under LCFF and indicates the target funding when LCFF is fully funded.



B. LAUSD Identification Of LCFF Students

It is important to accurately identify students that are qualified for additional funding under LCFF for two primary reasons. First, the distribution of supplemental and concentration funds statewide under LCFF are based on the number and percentage of these students. Second, LAUSD needs this information to focus investments made using LCFF funds to these students.

Finding 1: LAUSD follows California Department of Education requirements for counting and reporting LCFF Low-income, English Learner, and Foster Youth students.

The California Department of Education established specific requirements for counting and reporting LCFF Low-income, English Learner, and Foster Youth students.

- Low-income students are primarily identified through their eligibility for the Free or Reduced Price Meals (FRPM) under the National School Lunch Program, but may also be determined to be eligible under certain other programs that support low-income students.
- English Learners are identified as students with an English Language Acquisition Status of “English Learner” in the California Longitudinal Pupil Achievement Data System (CALPADS) on the annual census day (first Wednesday in October).
- Foster Youth are identified directly through information obtained from the L.A. County Department of Children and Family Services (DCFS) or the California Department of Social Services (CDSS).

LAUSD followed these requirements for counting and reporting LCFF Low-income, English Learner, and Foster Youth students.

Finding 2: LAUSD’s annual comprehensive audit includes an audit of the reported student count using California Department of Education audit guidelines. The most recent audit found only one incorrectly classified student.

The California Department of Education also developed and provided detailed guidelines for conducting audits of reported student counts. An audit of the reported student count, using these guidelines, is conducted annually as part of the LAUSD Comprehensive Annual Financial Report.

For the most recently completed audit (FY 2014-2015), the auditor selected and tested a sample of the Free and Reduced Price Meal (FRPM) and English Learner (EL) eligibility of 2,956 students from 40 schools as reported in the CALPADS. This included examining supporting documentation for the selected students and verifying their respective eligibility. Of the 2,956 students tested, 1,025 students were selected for verification of their English Language Acquisition Status (ELAS) designation of English Learner (EL). One student was noted as incorrectly reported in CALPADS as English Learner as of the census.

Finding 3: The method for distributing LCFF funds statewide based on the “unduplicated count” of LCFF students underrepresents the needs of students that meet two or all three of the qualifying criteria for LCFF funding, and underfunds the programs and services required to meet the needs of these students.

Exhibit 3 shows the certified pupil counts for LAUSD for the three fiscal years.

Exhibit 3 LAUSD Certified Pupil Counts LAUSD Under LCFF								
Year	Total Enrollment	Low-income	English Learner	Foster / Homeless	Migrant	Duplicated Total	Certified Un-Duplicated Total	Certified Un-Duplicated Percentage
FY 2013-14	558,468	428,162	154,110	21,735	1,188	605,195	454,448	84.61%
FY 2014-15	545,838	408,898	141,490	6,367	654	557,409	431,236	83.49%
FY 2015-16	529,791	415,701	141,243	13,005	681	570,630	429,646	83.49%
Source: California Longitudinal Pupil Achievement Data System (CALPADS) Unduplicated Pupil Count Source File, California Department of Education								
Note: Low Income students include those eligible for the Free or Reduced Price Meal Program (FRPM) as well as directly certified.								

As this exhibit shows, there are a significant number of LAUSD students that are Low-income, and either English Learner, Foster Youth, or both. The unduplicated count does not take this overlap in needs, and qualifications, into account.

For example, a student may be a Low-income Foster Youth who also needs to learn English. This student would only be counted once when LCFF supplemental and concentration funds are being calculated. However, this student’s needs are much more substantial that a student who is Low-income only. The cost for LAUSD to meet the additional needs of the student with multiple qualifications is also substantially higher.

C. Programs And Services Funded With LCFF Supplemental And Concentration Funds

Finding 4: LCFF supplemental and concentration funds received by LAUSD in FY 2013-2014 were used to continue to fund previously existing programs and services provided to LCFF qualified students.

In FY 2013-2014 LAUSD received a total of \$700 million in LCFF supplemental and concentration funds. LAUSD has historically invested in programs and services to support Low-income, English Learner, and Foster Youth students. The funds received in FY 2013-2014 were used to fund the ongoing operations of these programs and services.

The largest amount of these allocated funds (\$449.9 million) were used to continue to provide services to LCFF qualified students that were in special education programs.

This amount was determined based on the percentage of LCFF qualified students that were participating in special education programs. LAUSD's analysis showed that 79% of students participating in special education programs were also LCFF qualified students. The Los Angeles County Office of Education (LACOE) reviewed this analysis and approved the allocation of these LCFF funds to support special education programs.

Approximately \$103 million of these funds were allocated directly to schools to support specific needs identified by schools. These funds were allocated based on the number and percentage of LCFF qualified students at each school using the LAUSD Student Equity Based Index (SEBI). This index shows the total unduplicated count and percentage of LCFF students for each LAUSD school.

Approximately \$56 million of these funds were used to support the "Options" program for targeted youth, which provides an optional or alternative educational setting that takes into consideration life needs and increases the likelihood of these students graduating.

Approximately \$25 million of these funds were allocated to provide adult and career education for targeted students. Another \$25 million was used to support English Learners through development of English Learner Master Plan and providing English Learner Instructional Coaches, and the Accelerated Academic Literacy Program Standard English Learner support program.

Thirteen million dollars of these funds were allocated to support the LAUSD school police. The use of these funds for school police was discontinued beginning in FY 2015-2016 based on input and feedback received from the community.

Additional funds were used to support academic, college and career counseling (\$13 million), student engagement (\$12 million), and parental engagement (\$1.8 million) for targeted youth.

Finding 5: LCFF supplemental and concentration funds received by LAUSD in FY 2014-2015 were used to fund previously existing programs and services provided to LCFF qualified students, as well as to expand some of these programs, and implement additional new programs.

For FY 2014-2015 LAUSD received a total of \$837.1 million in LCFF supplemental and concentration funds, an increase of \$137.1 million over FY 2013-2014. LAUSD used these funds to continue investments in programs and services to support Low-income, English Learner, and Foster Youth students. In addition, LAUSD expanded a number of programs and services that previously existed, and developed and implemented new programs and services.

Previous funding to support targeted students in special education programs and to provide adult and career education and English Learner supports continued with minor

increases. Approximately \$50 million of the funding provided was allocated directly to schools to support specific needs identified by schools.

New programs and services developed included teacher retention and support (\$27.6 million) to improve the quality of teachers, Foster Youth Support and Family Source Centers (\$9.9 million) to provide services directly to Foster Youth, Instructional Technology Support (\$4.3 million), Targeted Instructional Support (\$34.7 million), the Arts Program (\$2.5 million) and the School Climate / Restorative Justice Program (\$4.2 million).

Cal and the non-profit organization Communities for Los Angeles Student Success (CLASS) conducted a review of LAUSD's implementation of LCFF.⁵ The review concluded that a relatively small percentage of the total budget was designated to be invested in LCFF qualified and targeted students. The review recommended the entire supplemental and concentration grant funds be considered discretionary, and budgeted and distributed more directly to the target student population.

⁵ "Implementing the Local Control Funding Formula: Steps Taken by LAUSD in Year Two, 2014-2015," Research Findings from the University of California, Berkeley for the CLASS Coalition and United Way of Greater Los Angeles (June 2015)(hereafter "Cal/CLASS Findings").

Exhibit 4 shows the allocation of LCFF Supplemental and Concentration Funds to programs and services, including planned future investments, by Fiscal Year.

Exhibit 4					
LAUSD LCFF Supplemental and Concentration Funds					
Allocation of Funds - FY 2013-14 thru FY 2017-18					
(In Millions of Dollars)					
	2013-14	2014-15	2015-16	2016-17	2017-18
Goal 1: 100% Graduation					
Adult and Career Education - Targeted Youth	\$24.8	\$25.0	\$24.8	\$24.8	\$24.8
Teacher Retention and Support (REED)		\$27.6	\$32.4	\$32.4	\$32.4
School Autonomy	\$103.3	\$154.1	\$161.8	\$174.8	\$178.8
Options Program	\$56.5	\$57.8	\$58.5	\$59.5	\$59.5
Realigned After-School Program			\$7.3	\$7.3	\$7.3
Diploma Program				\$2.0	\$2.0
Academic, College & Career Counseling	\$13.0		\$13.0	\$14.0	\$14.0
A-G Immediate Intervention Plan			\$15.0	\$15.0	\$15.0
Goal 2: Proficiency for All					
Foster Youth Support / Family Source Centers		\$9.9	\$12.9	\$13.9	\$13.9
School Readiness Language Development			\$22.0	\$22.0	\$22.0
Transitional Kindergarten Expansion Plan			\$7.0	\$7.0	\$7.0
Targeted Special Education Supports	\$449.9	\$452.6	\$449.9	\$449.9	\$449.9
Special Education Over-Referral		\$22.4	\$22.2	\$22.2	\$22.2
English Learner Supports	\$25.8	\$28.4	\$52.6	\$52.6	\$52.6
Instructional Technology Support		\$4.3	\$9.0	\$9.0	\$9.0
Targeted Instructional Support		\$34.7	\$47.1	\$68.5	\$70.5
Arts Program		\$2.5	\$26.4	\$33.8	\$33.8
Goal 3: 100% Attendance					
Targeted Support - Student Engagement	\$12.0		\$38.3	\$45.3	\$47.3
Homeless Youth Program			\$1.8	\$1.8	\$1.8
District Wide Student Engagement			\$0.3	\$0.3	\$0.3
Goal 4: Parent, Community and Student Engagement					
Targeted Parental Involvement	\$1.8	\$6.4	\$4.6	\$5.3	\$5.3
Goal 5: Ensure School Safety					
School Climate / Restorative Justice Program		\$4.2	\$7.2	\$9.2	\$9.2
School Police	\$13.0	\$13.1			
On-Going Major Maintenance			\$16.5	\$16.5	\$16.5
Totals	\$700.0	\$865.9	\$1,030.6	\$1,087.1	\$1,095.1

Source: Data received from Los Angeles Unified School District Fiscal Budget by WatsonRice Consultants.

Exhibit 5, beginning on the following page, provides a description of the programs and services funded using LCFF Supplemental and Concentration Funds listed in Exhibit 4.

**Exhibit 5
Programs Funded with LAUSD LCFF
Supplemental and Concentration Funds**

Program Title	Program Description
Goal 1: 100% Graduation	
Adult and Career Education - Targeted Youth	Provides access to credit recovery programs for students that have fallen behind in course work for graduation are given access to support programs to get them back on track to graduate. Programs also provide optional programs of study in career technical education or certificate programs through the Regional Occupation Centers/Programs, Career Technical Education, Regional Occupation Centers/Programs, and Credit Recovery Programs
Teacher Retention and Support (REED)	Increase support to sites with high turnover and high concentrations of targeted students. Supports include staffing, professional development augmentations and recruitment and retention enhancements. Also includes new teacher support and assistance.
School Autonomy	Provide additional budget autonomy to schools to support the academic plan on each campus. Schools receive an allocation to provide for local decision-making on how to provide supports to targeted students. Funds are distributed using the District's student equity based index. Enhances school climate, supports academic planning and instructional interventions, campus safety and school maintenance, registration and clerical support.
Options Program	Support at risk youth with an optional educational setting. A majority of youth that participate in the program are Low-income and English Learners. By providing an optional educational setting that takes into consideration a number of life needs, the program increases the likelihood of these students graduating.
Realigned After-School Program	Support the realignment of after school services to better serve at risk and targeted youth including a more rigorous and structured learning environment to ensure targeted (Low-income, English Learner, and Foster Youth) students are receiving proper academic support and intervention.
Diploma Program	Focuses on high schools with the highest dropout rates and their feeder middles schools with the most at risk students. Intent is to increase graduation rates at schools with highest dropout rates.
Academic, College & Career Counseling	Provide additional counseling resources to support academic and college and career counseling for high school students. Resources will be distributed through a prioritization of school sites using the District's Student Equity Based Index.

A-G Immediate Intervention Plan	Provide interventions to improve success in meeting advancement and graduation requirements. Includes addressing scheduling constraints for students not making sufficient progress or are behind.
Goal 2: Proficiency for All	
Foster Youth Support / Family Source Centers	Augmentations to counselors, psychiatric social workers, behavior specialists, pupil services and attendance counselor aides, and pupil services and attendance counselors specifically supporting Foster Youth. Individualized Education Plans for each Foster Youth student. Develop MOUs regarding Foster Youth school transfers, implement data tracking infrastructure, and identify baseline data necessary to minimize Foster Youth transfer rate.
School Readiness Language Development	Offer targeted school readiness language development classes at school sites based on the District's Student Equity Based index to prepare youth for transitional and traditional kindergarten.
Transitional Kindergarten Expansion Plan	The program is a full day, 180 school day preschool program to prepare children for kindergarten. The program follows the same time schedule as other elementary classrooms.
Targeted Special Education Supports	Special education services for targeted students including integration of students in General Education settings, Infant and Preschool Program, Special Day Program, Resource Specialist Program, Extended School Year, Transition Services, Special Education Service Centers, Language and Speech, Occupational Therapy/Physical Therapy, Educationally Related Intensive Counseling Services (ERICs), Transportation, English Learner, Standard English Learner, and Long Term English Learner Supports.
Special Education Over-Referral	Special Education Services enhanced with resources to address the over referral and identification of students. Recent findings have disproportionately impacted student subgroups with over-referrals to special education programs. The program investment provides additional staff to assist with IEPs and the appropriate special education identification.
English Learner Supports	Implementation of the English Learner Master Plan supporting English Learner and Standard English Learners. Services provide a multi-tiered system of supports for English Learner, Standard English Learners, and struggling readers, inclusive of reclassified fluent English proficient students (RFEPS). Provide for English Learner Instructional Coaches, Accelerated Academic Literacy Program standard English Learner support program, and support the implementation of the District's English Learner Master Plan.
Instructional Technology Support	Ensure school sites receive the support to enhance and utilize technology available at each site as well as provide professional development to teachers on utilizing tools to enhance instruction. Allocates information technology resources and support to areas

	in the District that have deficits in tech support.
Targeted Instructional Support	Targeted Instructional and administrative supports for library services, instructional material, class size reduction for middle and high school math and English classes. Resources are distributed to school sites through a prioritization methodology utilizing the District's school equity index.
Arts Program	Establish a targeted Arts program that utilizes the District's Arts equity index to determine areas of need. The LCFF targeted populations of Low –income, Foster Youth and English Learner students are used to populate the arts equity index. Specifically, the arts equity index identifies school sites that need greater resources to restore base levels of arts programs. The effort will bring parity to school sites throughout the District.
Goal 3: 100% Attendance	
Targeted Support - Student Engagement	Resources provided to school sites to receive clerical support, counseling/registration time, custodial, nurses, health services and additional support personnel (Pupil Services and Attendance counselors). Resources are distributed to school sites through a prioritization methodology utilizing the District's school equity index.
Homeless Youth Program	Support 9th Street School because of high numbers of mental health issues and traumatic events (the school is located in Skid Row, and has a high concentration of Homeless students). Provide support in each of the new local districts to serve as district liaisons for Homeless students and families as required by law. Support proper identification of Homeless students in compliance with the federal McKinney-Vento Act. Provide services and support to identified students to ensure timely enrollment, advocate for school stability, and provide supplemental services and resources as needed. Six Pupil Services Attendance aides to support Homeless in each local district.
District Wide Student Engagement	Support the implementation of a District-wide expansion of best practices and training to develop strong student leadership and voice in the District. Create multiple pathways and opportunities for student engagement, leadership development, and purposeful collaboration to develop a Student Leadership and Engagement Plan to be included in the Single Plan for Student Achievement, ensure that student leaders participate and engage in District-wide student engagement efforts, create a process that allows all students to review and comment on the development and implementation of school plans, budgets, and programs.
Goal 4: Parent, Community and Student Engagement	
Targeted Parental Involvement	Provide more resources to support parent engagement at the local level: Increase parental engagement training, and workshops across the district. Resources are distributed to school sites through a prioritization methodology utilizing the District's school equity index.

Goal 5: Ensure School Safety	
School Climate / Restorative Justice Program	Promote School Climate and Student Engagement at campuses of highest need, based on unduplicated student concentrations. An effort to develop and maintain: holistic, safe and healthy school environments, effective positive behavior support and interventions, commitment to a District-wide culture of positive and humanistic approach to working with students, staff and parents. Funds are prioritized utilizing the District's equity index and through the identification of sites with high incidences of conflict and suspensions. Restorative Justice counselors and teacher advisors will be provided to school sites for purposes of building positive practices and school culture to address student behavior and conflict.
School Police	Provide support for school police based on allocation of LCFF students. LCFF support for school police was discontinued based on input and feedback received through the Community Engagement process.
On-Going Major Maintenance	Targeted maintenance to school sites with greatest need.

D. LCFF Funds Allocated To Schools

It is important that investments in targeted students be made directly to schools to the extent practical, especially since most learning within LAUSD actually occurs at individual schools.

Finding 6: LAUSD has invested LCFF funds directly in elementary, middle and high schools in a manner that targets those schools with the largest number or percentage of LCFF qualified and targeted students.

LAUSD made investments directly in elementary, middle and high schools based on the number and percentage of Low-income, English Learner, and Foster Youth students. LAUSD used a duplicated count to determine these investments. Using this approach, a Low-income, English Learner, and Foster Youth student would be counted 3 times, once for each category, rather than just once when using the unduplicated count approach. LAUSD's position is that this is a more equitable approach, given that it is more challenging and costly to provide services to students facing multiple challenges.

Exhibit 6, on the following page, shows the LCFF investments made in FY 2015-2016 directly to schools using the duplicated count of LCFF students, referred to as the Student Equity Based Index (SEBI).

Exhibit 6
LAUSD LCFF Investments Made Directly to Schools
By Local District
Elementary Schools

Local District	Number of Schools	Total Students	Average Duplicated %	Total LCFF Investment	LCFF Per Student
Central	88	45,592	154%	\$16,518,041	\$362.30
East	79	44,800	157%	\$17,063,177	\$380.87
Northeast	66	39,681	137%	\$13,291,804	\$334.97
Northwest	78	41,921	106%	\$9,827,213	\$234.42
South	83	50,740	137%	\$17,679,262	\$348.43
West	95	45,968	103%	\$11,742,627	\$255.45
Totals / Averages	489	268,702	132%	\$86,122,124	\$319.41
Middle Schools					
Central	16	13,447	143%	\$8,529,017	\$634.27
East	14	16,008	138%	\$9,592,774	\$599.25
Northeast	14	16,887	126%	\$7,529,790	\$445.89
Northwest	14	19,361	96%	\$5,121,361	\$264.52
South	13	15,591	120%	\$6,925,742	\$444.21
West	16	14,323	112%	\$6,300,779	\$439.91
Totals / Average	87	95,617	122%	\$43,999,463	\$471.34
High Schools					
Central	23	20,444	129%	\$19,575,346	\$957.51
East	26	26,387	123%	\$20,494,201	\$776.68
Northeast	16	21,976	110%	\$17,557,284	\$798.93
Northwest	10	18,176	88%	\$5,431,605	\$298.83
South	18	19,229	107%	\$11,441,338	\$595.00
West	17	19,170	101%	\$8,914,032	\$465.00
Totals / Average	110	125,382	110%	\$83,413,807	\$648.66

Source: LAUSD Student equity - based index and existing and proposed investments for FY 2015-2016 Span, Special Ed, Continuation High, Opportunity, or community day schools not included.

As Exhibit 6 shows, schools in the local districts with the highest percentage of LCFF qualified or targeted students received the highest LCFF funding per student. For example, the East Elementary School Local District had a total of 157 percent (duplicated count) of students meeting the LCFF qualifications. The funding per elementary student in the East Local District was \$380.87. The West Elementary School Local District had a total of 103 percent (duplicated count) of students meeting the LCFF qualifications. The funding per elementary student in the West Local District was \$255.45.

The Cal and CLASS review of LAUSD's implementation of LCFF concluded funds were distributed to high schools consistently with the SEBI. Those Findings also concluded that this was not the case with distribution of funds to elementary schools.

E. Metrics Used To Track And Evaluate The Impact Of LCFF Investments

Performance measurement and reporting demonstrates the success or effectiveness of organizational or program activities in addressing a specific need or attaining a specific goal. A meaningful performance measurement framework includes a balanced set of indicators, ensures the collection of sound and reliable indicator data, provides for the analysis and reporting of indicator information and drives service improvement efforts and the testing of new initiatives. Performance measures should generally be quantified, meaning a number, to allow for comparison of performance from year to year.

Finding 7: LAUSD has developed and uses a comprehensive set of performance metrics or indicators to track, evaluate, and report progress made toward specific goals using LCFF funds.

LAUSD developed performance metrics for each of the key goals established. Exhibit 7 shows these metrics, including historical performance and annual targets going forward.

For example, performance metrics for the goal of 100% graduation include the graduation rates, dropout rates, and the percentage of students on track for advancement or graduation. The performance metrics also include the percentage metrics demonstrating college preparation, and advanced placement rates. Information on targets, and historical and current performance, is useful in evaluating the progress being made toward each established goal.

Exhibit 7
LAUSD LCFF Performance Metrics, Targets and Results
By LCAP Goal, With Annual Targets and Actual Performance

100% GRADUATION	Historical			Actual	Annual Targets		
	2011-12	2012-13	2013-14	2014-15	2014-15	2015-16	2016-17
Four-Year Cohort Graduation Rate (All Schools)	67%	68%	70%	74% ¹	68%	70%	71%
High School Cohort Dropout Rate	20%	17%	17%	Not Available	New Goal	8%	5%
Middle School Cohort Dropout Rate				Not Available	Benchmark	B - 1%	B - 2%
Percentage of High School Students On-Track for A-G with a "C" (Grades 9-12)		35%	35%	41%	New Goal	45%	50%
Percentage of Students Demonstrating College Preparedness in ELA as Measured by the 11th Grade EAP	CST			SBAC			
	14%	14%	16%	14%	Benchmark	15%	16%
Percentage of Students Demonstrating College Preparedness in Math as Measured by the 11th Grade EAP	CST			SBAC			
	10%	7%	8%	5%	Benchmark	6%	7%
Percentage of AP Exam Takers with a Qualifying Score of "3" or Higher	41%	39%	39%	39%	41%	43%	45%
Percentage of 12th Grade Students Who Have Completed a Free Application for Federal Students Aid (FAFSA)			57%	66%	59%	61%	63%
PROFICIENCY FOR ALL	Historical			Actual	Annual Targets		
	2011-12	2012-13	2013-14	2014-15	2014-15	2015-16	2016-17
Percentage of Students Who Met or Exceeded Standards in 3rd - 8th Grade ELA ²	CST			SBAC			
	48%	48%		31%	Benchmark	32%	33%
Percentage of Students Who Met or Exceeded Standards in 3rd - 8th Grade Math	CST			SBAC			
	45%	45%		26%	Benchmark	27%	28%
Percentage of 2nd Grade Fluent English Students (EO, IFEP, RFEP) Meeting Early Literacy Benchmarks				DIBELS			
			79%	78%	New Goal	84%	89%
Percentage of 2nd Grade English Learners (ELD 1-2) Meeting Early Literacy Benchmarks				DIBELS			
			15%	11%	New Goal	16%	17%
Percentage of 2nd Grade English Learner (ELD 3-5) Meeting Early Literacy Benchmarks				DIBELS			
			53%	53%	New Goal	58%	63%
Percentage of English Learners Who Reclassify as Fluent English Proficient (RFEP)	16%	13%	14%	17%	16%	18%	20%
Percentage of English Learners Who Have Not Reclassified in 5 Years (LTEL)	29%	27%	24%	24%	26%	24%	22%
Percentage of English Learners Making Annual Progress on the CELDT	56%	53%	56%	54%	New Goal	60%	62%
Percentage of Foster Youth with an Annually Updated Comprehensive Academic Assessment				66%	65%	85%	100%
Percentage of Students with Disabilities Who Are in the General Education Program at Least 80% of the School Day	55%	56%	57%	65%	New Goal	59%	60%
Percentage of Students with Disabilities Who Attended Nonpublic Schools	4.9%	4.5%	4.1%	3.5%	New Goal	3.6%	3.2%

¹ This rate reflects the preliminary graduation rate as of November 2015 and is subject to change

Exhibit 7
LAUSD LCFF Performance Metrics, Targets and Results
By LCAP Goal, With Annual Targets and Actual Performance

100% ATTENDANCE	Historical			Actual	Annual Targets		
	2011-12	2012-13	2013-14	2014-15	2014-15	2015-16	2016-17
Percentage of Students Attending 172-180 Days Each School Year (96% or Higher Attendance Rate)	65%	68%	71%	71%	70%	71%	72%
Percentage of Students with Chronic Absence (Missing 16 Days or 91% or Lower Attendance)	15%	12%	12%	13%	11%	10%	9%
Percentage of Staff Attending 96% or Above	67%	66%	72%	73%	New Goal	76%	78%
PARENT, COMMUNITY AND STUDENT ENGAGEMENT	Historical			Actual	Annual Targets		
	2011-12	2012-13	2013-14	2014-15	2014-15	2015-16	2016-17
Percentage of Students Who Feel a Part of Their School (Question on School Experience Survey)				81%	New Goal	83%	85%
Parent Participation on School Experience Survey	32%	33%	31%	40%	35%	40%	45%
Percentage of Schools Training Parents on Academic Initiatives by Providing a Minimum of Four Workshops Annually				67%	35%	45%	55%
Percentage of Parents Who State that Their Schools' Parent Centers Provide Useful Resources to Support Their Children's Education				60%	Benchmark	62%	64%
SCHOOL SAFETY	Historical			Actual	Annual Targets		
	2011-12	2012-13	2013-14	2014-15	2014-15	2015-16	2016-17
Single Student Suspension Rate	2.9%	1.2%	0.8%	0.6%	New Goal	0.8%	0.7%
Instructional Days Lost to Suspension	25,948	12,651	8,841	6,221	8,250	8,100	8,050
Expulsion Rate	0.02%	0.05%	0.05%	0.01%	New Goal	0.04%	0.03%
Percentage of Schools Ensuring Effective and Fair Handling of Student Behavior by Promoting Positive Solutions Through the Reform of Student Discipline Policies (Measured by Implementation of the Discipline Foundation Policy)		22%	44%	69%	65%	71%	79%
Percentage of Students Who Feel Safe at School		76%	78%	70%	New Goal	82%	84%
BASIC SERVICES	Historical			Actual	Annual Targets		
	2011-12	2012-13	2013-14	2014-15	2014-15	2015-16	2016-17
Percentage of Teachers that are Appropriately Credentialed for the Students They are Assigned to Teach	99%	99%	99%	99%	100%	100%	100%
Percentage of Teachers Completing Educator Development and Support: Teachers (EDST) Performance Evaluation Process			23%	25%	20%	20%	20%
Percentage of Schools Providing Students with Standards-Based Instructional Materials by Meeting Williams Act Requirements			100%	100%	100%	100%	100%
Percentage of Facilities that are in Good Repair	99%	97%	99%	100%	99%	99%	99%
Percentage of Secondary Students with an Annual Individual Graduation Plan (IGP)		58%	76%	Not Available	59%	100%	100%

Source: LAUSD LCAP Scorecard, February 2016

F. LAUSD LCFF Public Input, Transparency And Accountability Efforts

The LCFF legislation requires substantial effort to involve and engage parents, pupils, and other stakeholders. It also requires each district to describe the process used to consult with parents, pupils, school personnel, local bargaining units as applicable, and

the community and how this consultation contributed to development of the LCAP or annual update.

Finding 8: LAUSD has put substantial effort into public input, transparency and accountability as part of the LCAP and budgeting process as required by the LCFF legislation.

Exhibit 8 provides an overview of LAUSD’s public input, transparency and accountability efforts conducted as part of developing the two required LCAPs under LCFF.

Exhibit 8 Overview of LAUSD LCAP Public Input, Transparency and Accountability Efforts		
Input / Feedback Method	FY 2014-15	FY 2015-16
Community Input Meetings	About 100	32
Community Members Participating	Not Available	1,783
Partner Organization Meetings	12	29
Community Survey Responses	10,483	16,673

As this exhibit shows, for the current LCAP, 32 meetings were held by LAUSD to engage community stakeholders and obtain preliminary input for the development of the current LCAP, with 1,783 community members attending. Twenty-nine additional input sessions were held with partner organizations and offices to gather feedback from stakeholders on the goals, targets, and investments of the LCAP and to identify desired revisions to the LCAP.

A survey was also developed to solicit additional feedback from the community on the priorities of the LCAP and the District’s goals. The survey was administered both in-person and online. A total of 16,673 individual responses were received.

LAUSD published a Community Feedback Report, which summarized the responses, including a ranking of LCAP goals, obstacles to achieving the goals, and suggested strategies.

The Cal and CLASS Findings of LAUSD’s implementation of LCFF concluded, despite LAUSD’s efforts, many school personnel, parents and students felt uninformed about LCFF goals and strategies. The review further found that “teachers would appreciate more transparency around how budgets are made at both the District and school level.

Teachers and students believe that they could contribute insight regarding how to best support learning and well-being in their school communities.”⁶

V. RECOMMENDATIONS

- 9.1 The Los Angeles Unified School District should follow California Department of Education requirements for counting and reporting, according to the Local Control Funding Formula, Low-income, English Learner, and Foster Youth students
- 9.2 The Los Angeles Unified School District’s annual comprehensive financial audit should include an audit of the reported student count using the California Department of Education’s audit guidelines
- 9.3 The Los Angeles Unified School District should lobby the California Legislature to consider revising the method for distributing Local Control Funding Formula funds statewide based on the new “unduplicated count” to an approach that considers the needs of students that meet two or all three of the qualifying criteria for Local Control Funding Formula funding.
- 9.4 The Los Angeles Unified School District should expand its investment of Local Control Funding Formula funds directly in elementary, middle and high schools in a manner that targets those schools with the largest number or percentage of Local Control Funding Formula qualified and targeted students.
- 9.5 The Los Angeles Unified School District should use a comprehensive set of performance metrics or indicators to track, evaluate, and report progress made toward specific goals using Local Control Funding Formula funds, and make adjustments as new information is obtained and new lessons learned.
- 9.6 The Los Angeles Unified School District should expand its public input and feedback efforts as part of the Local Control Accountability Plan development process to increase transparency and involvement with students, parents, and school personnel.

⁶ Cal/CLASS Findings, p. 13.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the County). Responses shall be made in accordance with Penal Code Sections 933.05(a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Los Angeles Unified School District : 9.1, 9.2, 9.3, 9.4, 9.5, 9.6

VII. ACRONYMS

BOE	Board of Education
Cal	University of California, Berkeley
CGJ	Civil Grand Jury
CLASS	Communities for Los Angeles Student Success
LACOE	Los Angeles County Office of Education
LAUSD	Los Angeles Unified School District
LCAP	Local Control Accountability Plan
LCFF	Local Control Funding Formula
TSP	Target Student Population

VIII. COMMITTEE MEMBERS

Rene Childress Chair
John Anthony
Rita Hall
Patricia Turner



**PARK AND RIDE:
A LOS ANGELES ILLUSION**

PARK AND RIDE: A LOS ANGELES ILLUSION

I. EXECUTIVE SUMMARY

The personal vehicle is as integral an image of Southern California as are its crowded freeways and roads. One of the most common complaints in Los Angeles County is that there is a lack of adequate parking to meet demand. Currently, there are an estimated 7.8 million registered vehicles in Los Angeles County.

Local governments are making concerted efforts to address the issue of crowded roads and freeways, by reducing the use of personal vehicles through the implementation of various social engineering strategies: reducing or eliminating off-street parking, reducing traffic lanes in favor of bus and bicycle lanes, widening sidewalks, encouraging alternative transportation (Über, Lyft), and improving and expanding bus and light rail service. The 2015-2016 Los Angeles County Civil Grand Jury (CGJ) considered the effect of these strategies on parking.

Due to the size of the potential inquiry and time constraints, the CGJ employed the services of the audit firm of Harvey M. Rose Associates, LLC, to conduct an operational audit, and narrowed the focus of the problem to parking supply around selected stations of the Los Angeles County Metropolitan Transportation Authority (Metro or MTA) light rail/bus-rail transit lines.

The CGJ concludes that local jurisdictions are reluctant to address public transportation needs with a regional view, which often results in regional resources being distributed unevenly and parking demands in certain areas being unmet. This defeats the purpose of investing heavily in a regional transit network and keeps more potential riders in individual vehicles.

The CGJ believes that social engineering strategies may not be sufficient to address the reduction of 7.8 million registered vehicles in Los Angeles County, or are unlikely goals based on unrealistic expectations.

The firm's findings (Audit), which returned the following major findings, are incorporated in this report.¹

- Bus ridership has declined since 1991-1992, while rail ridership has had a slow but steady increase for the same time period.
- The stations with the highest ridership and the most utilized parking places are North Hollywood (Red/Orange Lines), Universal City (Red Line), Norwalk (Green Line), and Culver City (Expo Line).

¹ See Attachment A (hereafter "Audit"), beginning on page 197.

- Many studies have examined the various factors influencing transit ridership, but there is no conclusion as to the role of parking supply in driving overall ridership, which is only one of many factors that influence overall ridership in a regional transit system.
- Providing parking by itself will not increase transit ridership.
- The primary determinants of ridership include regional geography, the metropolitan economy, population characteristics, auto/highway characteristics, and fare pricing.
- Metro works closely with the various local jurisdictions in the planning of light rail line expansion. The local response to providing parking within their jurisdictions ranges from wanting more parking or having more parking than needed to reducing the number of parking spaces or not providing any available spaces at all.

II. BACKGROUND

The personal vehicle is as enduring an image of Southern California as are its crowded freeways and roads. It appears to the CGJ that there are (1) a lack of available parking throughout Los Angeles County, (2) a concerted effort by government agencies to reduce and/or eliminate off-street parking, and (3) a strategy to reduce the use of vehicles in Los Angeles County through the use of alternative transportation means as well as the implementation of various street-quieting methods.

Los Angeles County is large and diverse, with a population of 10.1 million (standing alone, it would rank as the eighth most populous state in the United States),² and, as shown in Exhibit 1, has more than 7.8 million registered vehicles.³

EXHIBIT 1: ESTIMATED REGISTERED VEHICLES vs. POPULATION(a)

Year	L.A. County Population(b)	Registered Autos	Registered Other Vehicles(c)	Total Registered Vehicles	Autos per Person	Total Vehicles per Person
2000	9,543,000	5,134,000	1,386,000	6,520,000	0.54	0.68
2001	9,635,000	5,296,000	1,404,000	6,700,000	0.55	0.70
2002	9,718,000	5,529,000	1,481,000	7,010,000	0.57	0.72
2003	9,777,000	5,499,000	1,506,000	7,005,000	0.56	0.72
2004	9,808,000	5,881,000	1,633,000	7,514,000	0.60	0.77
2005	9,804,000	5,850,000	1,665,000	7,515,000	0.60	0.77
2006	9,761,000	5,917,000	1,672,000	7,589,000	0.61	0.78
2007	9,735,000	5,933,000	1,653,000	7,587,000	0.61	0.78
2008	9,779,000	5,859,000	1,639,000	7,499,000	0.60	0.77
2009	9,848,000	5,785,000	1,616,000	7,402,000	0.59	0.75
2010	9,826,000	5,810,000	1,601,000	7,411,000	0.59	0.75
2011	9,885,000	5,806,000	1,555,000	7,361,000	0.59	0.74
2012	9,952,000	5,905,000	1,517,000	7,422,000	0.59	0.75
2013	10,020,000	6,079,000	1,530,000	7,610,000	0.61	0.76
2014	10,117,000	6,198,000	1,522,000	7,719,000	0.61	0.76
2015	N/A	6,294,000	1,545,000	7,839,000	N/A	N/A

Exhibit compiled by CGJ from the following sources:

- (a) California Department of Motor Vehicles, Forecasting Unit, data except for Los Angeles County population figures.
- (b) United States Census Bureau. Data for 2015 not available at time of report.
- (c) Other Registered Vehicles include trucks, trailers, and motorcycles.

A. Metro Ridership On Bus And Rail Lines.

As seen in Exhibit 2, with the exception of 2001-2002 and 2006-2007, bus ridership has declined since 1991-1992. Rail ridership has experienced a slow but steady increase

² U.S. Census Bureau, 2010 Census Population Data. <http://www.census.gov/popfinder/>

³ California Department of Motor Vehicles, Forecasting Unit.

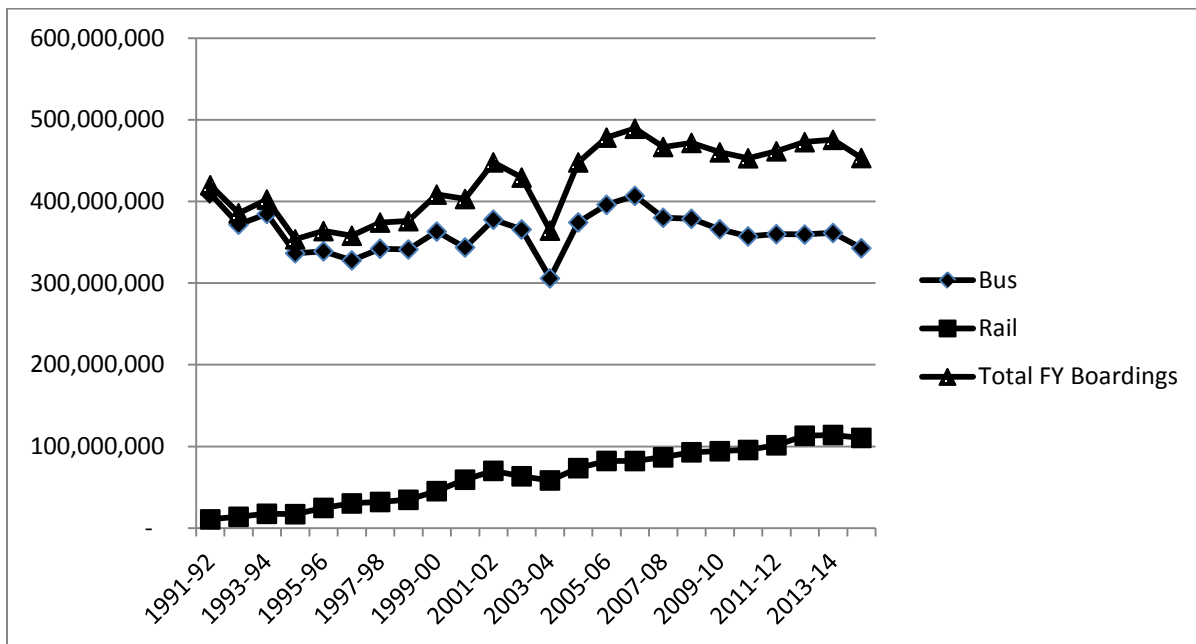
since 1991-1992. It should be noted that rail ridership represents approximately 20% of Metro’s total ridership.

Citing a 2005 study by Baum-Snow and Kahn, the Audit notes “Rail investments tend not to increase overall transit ridership in most cities; rather, most rail transit commuters are former bus commuters, not former drivers, and the main effect of rail investment may be giving transit users a faster transit option rather than reducing VMT (Vehicle Miles Traveled) and associated emissions.”⁴

The Baum-Snow and Kahn observations may be a plausible reason for ridership trends. It should be noted that the expansion of the light rail system in the county may also have contributed to the rail ridership increase.

Exhibit 2 shows annual ridership on bus and rail lines for the 12 year period 1991-2014.

EXHIBIT 2: ANNUAL RIDERSHIP ON BUS AND RAIL LINES, 1991-2014



Source: Metro

⁴ Audit, p. 202.

B. Metro Goals For Parking At Transit Stations

In 2003 and again in 2009, Metro supported parking policies at its transit stations that focused on three identifiable goals.⁵

- “To support a high level of demand for ridesharing and to make the transition to and from public transit as seamless as possible, adequate parking must be available for patrons to easily move from one mode to the next.”
- “Providing parking facilities at key locations is critical to accommodate the growth of usage as the public responds to Transportation Demand Management (TDM) strategies.”
- “In a region where auto usage represents over 85% of the regional trips, adequate parking near transit facilities is a crucial component of the transit system.”

C. Determinants Of Transit Ridership

Many studies have examined the various factors influencing transit ridership, but no conclusive studies exist on the role of parking supply in driving overall ridership. Available literature suggests that parking availability is, at most, one of the many factors that influence overall ridership in a regional transit system.

The primary determinants of transit ridership include:⁶

- “regional geography: population and employment density, urbanized area, total population,
- metropolitan economy: personal and household income,
- population characteristics: age, immigrant status, race,
- auto/highway system characteristics: percent of carless households, non-transit and non-vehicle trips (i.e., walking, biking), and
- fare pricing: low fares attract passengers and infrequent service pushes passengers away.”

The Audit found that parking availability will not have a significant impact on ridership, if viewed in isolation from other factors.

⁵ Audit, p. 27.

⁶ Taylor, B.D., et al., “Nature and/or nurture? Analyzing the determinants of transit ridership across US urbanized areas,” *Transportation Research*, Part A 43 (2009), pp. 60-77.

D. Metro Rider Characteristics

Metro conducts annual surveys to measure rider satisfaction and collect their demographic information.

A comparison of U.S. Census Bureau statistics with 2014 Metro Rail survey data, presented in Exhibit 3, provides the following information on who uses Metro Rail:

- the majority of riders are male,
- the overwhelming majority of riders are between the ages of 18-64,
- Latinos represent almost half of the ridership,
- ridership median household income averages 39.4% of Los Angeles County's median income, and
- average household income averages 44.7% of Los Angeles County's average household income.

EXHIBIT 3: LOS ANGELES COUNTY POPULATION AND METRO RAIL RIDER CHARACTERISTICS (2014)

Category	U.S. Census Bureau: Los Angeles County	Metro Rail Riders Survey
Gender:		
Male	49%	54%
Female	51%	46%
Age:		
Less than 18 years	23%	5%
18-64 years	65%	93%
Over 65 years	12%	3%
Race:		
White	27%	17%
Black	8%	18%
American Indian	0.2%	<1%
Asian/Pacific Islander	15%	12%
Latino	48%	47%
Other	2%	6%
Income:		
Median Household Income	\$55,746	\$21,980
Average Household Income	\$83,104	\$37,142

Source: 2014 American Community Survey (ACS); Metro

Metro’s data, shown in Exhibit 4, also reveals the following:

- the overwhelming majority of riders walked to their first bus or rail stop,
- an average of 76% report not having a car available for the trip, and
- no more than five percent of bus and rail riders drove to a bus or rail stop.

EXHIBIT 4: CUSTOMER SATISFACTION SURVEY RESPONSES, 2011-2015

Year	Car available for trip?		How Did You Get Here?					Total Responses
	Yes	No	Walked	Dropped Off	Drove	Biked	Other	
2011	25%	75%	n/a	n/a	n/a	n/a	n/a	14,921
2012	19%	81%	83%	8%	3%	3%	3%	21,873
2013	21%	79%	80%	9%	4%	4%	3%	17,377
2014	31%	69%	84%	6%	3%	3%	4%	21,536
2015	22%	78%	79%	9%	5%	4%	3%	19,793
Average	24%	76%	82%	8%	4%	4%	3%	19,100

Source: Metro

However, when the question was rephrased in another survey (the data is presented in Exhibit 5) as to whether riders drove to the first bus or train stop of their trip, an average of 15% responded that they drove to their first stop.

EXHIBIT 5: SURVEY RESPONDENTS DRIVING TO THE FIRST BUS/TRAIN OF TRIP

YEAR	SYSTEM-WIDE	RAIL ONLY
2012	3%	15%
2013	4%	17%
2014	3%	15%
2015	5%	12%
Average	4%	15%

Source: Metro Customer Survey Data

E. Planning For Metro Parking Availability

In compliance with the National Environmental Quality Act (NEQA) and the California Environmental Quality Act (CEQA), Metro is obligated to prepare an Environmental Impact Report (EIR) prior to constructing all light rail lines and stations. Such EIR’s include estimates of on-street parking spaces that will be lost, as well as estimates of the increased demand for parking resulting from a station’s opening. Metro and the construction authorities (public agencies, cities, and private parties) are bound by the

EIR to construct the number of recommended parking spaces determined during the EIR process to ensure proper compliance with environmental and other concerns.

Municipal representatives and members of the public are invited to comment, before final parking-related recommendations are adopted, during multiple public meetings held in a municipality.⁷ Individual jurisdictions have significant input in the planning process. Different jurisdictions have different assessments of what local parking needs are, what parking requirements should be, and what level of investment of their own resources they are willing to make in providing parking supply.⁸

Shared parking programs, such as the ones that follow, allow Metro to partner with local jurisdictions or entities in order to provide parking, as shown in the following six cities or agencies (information provided by Metro). The advantage of these agreements is that parking is available to Metro patrons but the agency's construction, maintenance, and operating costs are mitigated.

Arcadia. The 2007 EIR for the Gold Line Foothill Extension projected a demand of 300 parking spaces in Phase I of the Gold Line Development (Pasadena to Azusa), and a demand of up to 800 spaces by 2025 once the line is completed (Azusa to Montclair). The Phase I proposed parking structure design did not allow for future expansion up to 800 parking spaces. The city requested and received a redesign to allow for additional parking decks in the future. The city also converted its previous dial-a-ride transit system to a fixed ride system to coincide with Metro's opening, making stops at points of interest, such as the race track, shopping mall, and hospital.

Culver City. The 600 space parking lot at the Culver City Metro Station lot is heavily utilized. Culver City installed 15 bike racks and 20 bike lockers at the station. The city has scheduled the elimination of the lot in 2017, to make way for a transit-oriented development project. The project will include a six-story 1,500 space parking lot, of which 300 spaces will be reserved for Metro. The city determined that the benefit of the transit-oriented development outweighs the need to meet parking demand.

Expo/Crenshaw. This facility has low to moderate parking utilization and is not a high-ridership station. Metro leased 450 spaces from the West Los Angeles Church of God. Because this facility, near the Exposition/Crenshaw station, was poorly patronized with a nine percent utilization rate, Metro reduced the lease to 225 spaces. Utilization continues to be low at 37%, which may be the result of poor signage.

Inglewood. The city anticipates the need for additional parking once the planned station becomes operational. The city is exploring opportunities to provide supplemental parking in the area by making existing lots available for a fee.

Pierce College. This facility has low to moderate parking utilization and is not a high-ridership station. Metro leases 373 spaces at the Pierce College station on the Orange

⁷ Audit, p. 10.

⁸ Audit, p. 13.

Line Bus Rapid Transit (BRT), and has a 55% utilization rate. The lot is owned by Los Angeles Community College, and was secured through a prepaid lease of \$5.3 million.

Santa Monica. The EIR for the extension of the Expo Line to Santa Monica provides for three stations in that city, with 70 parking spaces at the 17th Street Station. Because of the city’s density and walkability (an estimated 50% of its citizens live within a 10 minute walk of the three proposed stations), the city believes that additional parking is unnecessary and will negatively impact the quality of life by increasing traffic congestion. As an alternative, the city proposed expansion of the Big Blue Bus services in the city and throughout Los Angeles County, as well as construction of bike parking facilities at the stations. Aside from the 17th Street Station, no additional parking is planned for any Santa Monica station, including the downtown terminus. The city stresses that this is by design and in alignment with the city’s extensive long-term planning strategies for growth, development and sustainability.

F. Metro Parking Availability And Utilization

In 2014, Metro had a total of 23,222 parking spaces with an average estimated daily parking utilization of 14,399 spaces, or 62%. Usage is highly variable by Metro line, as shown in Exhibit 6. On any given day, there could be close to 9,000 available parking spaces throughout the Metro system.

EXHIBIT 6: METRO LINE PARKING UTILIZATION

Metro Line	Total Parking Spaces	Estimated Daily Parking Utilization	Average Daily Utilization Rate
Red Line	2,072	1,800	87%
Blue Line	2,036	1,683	83%
Gold Line	2,476	1,860	75%
Expo Line	1,521	994	65%
Silver (BRT)	3,631	2,256	62%
Green Line	5,451	3,347	61%
Red/Purple Line	1,878	1,153	61%
Orange (BRT)	4,157	1,306	31%
TOTAL	23,222	14,399	62%

Source: Audit calculation based on Metro data.

In reviewing Metro data, the Audit determined⁹ that many high utilization stations are located at the terminus of their respective Metro lines (e.g., Gold Line - Sierra Madre Villa and Atlantic; Green Line - Norwalk; Red Line - North Hollywood; Expo Line – Culver City). Further, high utilization stations are often adjacent to low or medium utilization stations, including stations along the Gold, Expo, Blue, and Green Lines and

⁹ Audit, pp. 212 et seq.

low utilization stations are concentrated along the Green, Silver and Orange Lines. This indicates a mismatch of parking supply and parking demand.

Parking utilization is not dependent on the total parking supply at any given Metro station. Levels of parking utilization at Metro stations are largely driven by factors other than the relative amounts of parking supply.¹⁰

The highest ridership is on the Red, Purple, and Blue Lines, the oldest lines in the system, accounting for approximately 70% of average weekday boardings, but those trips account for approximately 40% of parking supply and utilization. The Expo, Green and Gold Lines account for just approximately 30% of average weekday boardings, but approximately 60% of parking supply and utilization.

KEY FOR EXHIBIT 7

<u>Ridership</u>	<u>Parking Supply</u>	<u>Parking Utilization</u>
<i>“High Ridership”</i> stations, averaged 3,548 weekday boardings.	<i>“Large”</i> stations with between 492-1,915 parking spaces.	<i>“High Utilization”</i> stations, where more than 85% of parking spaces were occupied during Metro’s assessment. An indicator that Metro patrons could face difficulties finding a parking space.
<i>“Moderate Ridership”</i> stations, averaged 1,705-3,547 weekday boardings.	<i>“Medium”</i> stations with between 227-491 parking spaces.	<i>“Medium Utilization”</i> stations, where between 45%-84% of parking spaces were occupied during Metro’s assessment.
<i>“Low Ridership”</i> stations averaged less than 1,704 weekday boardings.	<i>“Small”</i> stations with between 18 and 226 parking spaces.	<i>“Low Utilization”</i> stations, where less than 45% of parking spaces were occupied during Metro’s assessment.

¹⁰ Audit, p. 202

EXHIBIT 7: MATRIX OF PARKING SUPPLY, RIDERSHIP, AND PARKING UTILIZATION BY STATION

Stations	Number of Stations	Metro Line (a)	Ridership	Parking Supply	Parking Utilization
North Hollywood, Universal City, Norwalk, Culver City	4	Red/Orange; Red; Green; Expo	High	Large	High
Union Station, Willow	2	Gold/Purple/Red; Blue	High	Large	Moderate
Sierra Madre	1	Gold	Moderate	Large	High
Long Beach	1	Blue	Moderate	Large	Moderate
Crenshaw, Hawthorne	2	Green; Green	Moderate	Large	Low
Del Mar	1	Gold	Low	Large	Low
Aviation	1	Green	High	Medium	High
Willowbrook, Artesia	2	Blue/Green; Blue	High	Medium	Moderate
Del Amo, Lakewood, Atlantic	3	Blue; Green; Gold	Moderate	Medium	High
Harbor Freeway	1	Green/Silver	Moderate	Medium	Moderate
Expo/ Crenshaw	1	Expo	Moderate	Medium	Low
La Cienega	1	Expo	Low	Medium	Moderate
Marine/ Redondo	1	Green	Low	Medium	Low
Florence, Westlake	2	Blue; Purple	High	Small	High
103 rd Street	1	Blue	High	Small	Low
Vermont, Avalon, Lake Avenue	3	Red; Green; Gold	Moderate	Small	Low
Wardlow, Fillmore, Indiana, Lincoln Heights, Heritage Square	5	Blue; Gold; Gold; Gold; Gold	Low	Small	High
Mission, Douglas/ Rosecrans	2	Gold; Green	Low	Small	Moderate
El Segundo	1	Green	Low	Small	Low

Source: Audit calculation based on Metro data.

(a) Metro line colors are indicated in the order that train stations are listed.

III. METHODS AND PROCEDURES

Due to the vastness of the possible inquiry and time constraints, the CGJ narrowed its focus to the availability of parking around selected Metro light rail/bus-rail transit stations. As the primary provider of bus and rail transportation in Los Angeles County, Metro has made efforts to increase ridership by providing parking and transit alternatives. Metro's success or failure would provide a reasonable litmus test from which conclusions and recommendations could be drawn.

The CGJ employed the services of an audit firm to provide an operational audit of Metro's parking supply relative to the demand for parking spaces at certain Metro stations. The Audit and its findings are attached and incorporated in this report.

IV. FINDINGS

1. Parking availability at metro stations does not necessarily increase ridership.
2. Jurisdictions have requested modifications to planned parking availability.
3. Jurisdictions have implemented local efforts to supplement Metro ridership.
4. High parking utilization does not necessarily indicate a desire by jurisdictions for increased capacity.
5. In planning for parking needs, parochial rather than regional views dominate the thinking of local jurisdictions.
6. Local jurisdiction reliance that parking facilities elsewhere will "take care of" parking needs may be wishful thinking.
7. The lack of available land for parking expansion and the general high cost associated with constructing parking structures may inhibit provision of such facilities.
8. Many stations are close to current transportation infrastructure (highways and roads) preventing Metro's ability to increase parking.
9. Local land use, community concerns, strategic goals and visions for growth impact the provision of parking.
10. Financial constraints impact the provision of parking.

11. It is unrealistic for local jurisdictions to attempt social re-engineering by means of the reduction of traffic lanes, increase of bicycling lanes, and reliance on alternative transportation (e.g., Über, Lyft), while ignoring the estimated 7.8 million registered vehicles currently on roads in Los Angeles County, with its vast geographic area and lack of easily accessible, reliable public transportation.
12. Currently there are 60 different Metro stations that offer parking with a total of 90 Park-and-Ride facilities. Of the 90 facilities, 15 are parking garages or structures, and 75 are parking lots.
13. In general, parking is provided at “origin” stations (where riders board at the start of their transit journeys to go to work, such as Culver City or Norwalk), and not provided at “destination” stations (where most riders disembark, such as downtown Los Angeles or Hollywood).
14. Parking facilities at Metro stations are owned and operated by a wide range of public agencies, cities, and private parties.
15. The 90 different parking facilities have 16 different owners, and 11 different operators. The divided ownership of these facilities can lead to conflicting mandates, different enforcement, or lack of resources.
16. Although parking garages increase parking capacity on limited available land, there are significant expenses associated with their construction and maintenance.¹¹
17. Metro currently provides over 25,000 parking spaces at its stations and facilities, of which approximately 86% are free.
18. Of that amount, there are 3,588 paid parking spaces, located at 18 different stations, which comprise 14% of total parking.
19. Nearly 70% of paid parking spaces are located at North Hollywood, Union Station, and Universal City.¹²

¹¹ Audit, pp. 208-209.

¹² Audit, p. 210.

V. RECOMMENDATIONS

The CGJ makes the following recommendations which should be read along with the details provided in the attached Audit.

- 10.1 The Los Angeles County Metropolitan Transportation Authority (Metro) should focus on monitoring and evaluation of supply/demand at nine stations: North Hollywood, Universal City, Norwalk, Culver City, Sierra Madre, Aviation, Del Amo, Lakewood and Atlantic. These stations currently have high utilization and high ridership, which might warrant the usage of additional parking management tools.
- 10.2 Metro should monitor, specifically to track ridership increases that may warrant the usage of additional parking management tools, utilization at six stations: Union Station, Willow, Long Beach, Willowbrook, Artesia and Harbor Freeway.
- 10.3 Metro should identify tools to better inform park-and-riders of supply constraints and alternative parking opportunities.
- 10.4 Metro should, in collaboration with local and regional partners, consider how to expand policy and planning goals to incorporate increased employment density around transit stations.
- 10.5 Metro should evaluate and take advantage of opportunities for re-striping at high utilization parking lots in order to expand existing capacity, and negotiate to do so with local and regional partners where required.
- 10.6 Metro should explore opportunities to supplement parking for Metro riders at those stations with high parking utilization.
- 10.7 Metro should ensure that adequate and visible signage is available at parking lots, especially those with low utilization.
- 10.8 Metro should reevaluate, specifically to determine whether the leases need to be modified or renegotiated, parking at two shared parking stations: Expo/Crenshaw and Pierce College.
- 10.9 Metro should evaluate the benefit of including in the Preferred Parking Program the following stations: Culver City, Aviation/LAX, Lakewood, Long Beach, Willowbrook, Harbor Freeway, and Union Station.
- 10.10 Metro should explore ownership/transfer opportunities or alternative management arrangements of Caltrans properties at Norwalk, Lakewood, and Aviation/LAX.

- 10.11 Metro should ensure that the tools, models, data, and recommendations of its master planning process for parking are incorporated throughout Metro's Countywide Planning Department.
- 10.12 Metro should continue exploring relationships with ride-sharing companies upon the expiration of its agreement with Lyft, including evaluating whether more comprehensive data-sharing and institutional partnerships might be appropriate.
- 10.13 Metro should incorporate into its future planning all findings from the Supportive Transit Parking Program Master Plan Study with regard to the impact of technological and demographic trends on parking.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses to recommendations shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accord with Penal Code Sections 933.05(a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Metropolitan Transportation Authority: 10.1, 10.2, 10.3, 10.4, 10.5, 10.6, 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13.

VII. ACRONYMS

BRT	Bus Rapid Transit
CGJ	Civil Grand Jury
EIR	Environmental Impact Report
Metro/MTA	Los Angeles County Metropolitan Transportation Authority

VIII. COMMITTEE MEMBERS

Bart Benjamins	Co-Chair
Victor H. Lesley	Co-Chair
Judy Goossen Davis	
Edna McDonald	
Arun Sharan	
Lorraine Stark	

ATTACHMENT A:

AUDIT OF PARKING SUPPLY AT METRO STATIONS IN LOS ANGELES COUNTY April 7, 2016

I. EXECUTIVE SUMMARY

The Los Angeles County Metropolitan Transportation Authority (Metro) provides bus and rail services throughout the County. Despite perceived efforts to increase ridership by providing parking and transit alternatives, there is evidence of a shortage of parking supply relative to the demand for parking spaces at certain Metro stations. To understand the extent of this problem, and Metro's effectiveness at addressing station parking issues, the scope of this audit included:

1. An initial assessment of existing and projected parking supply and ridership data for Metro stations along major existing and planned transit lines.
2. A review of Metro's plans, policies, and procedures with respect to parking at Metro stations, with a particular focus on facilitating increased access and ridership.
3. The selection of Metro stations for in-depth analysis of existing or planned parking supply, parking supply history, and related land use developments in local jurisdictions surrounding Metro stations.
4. A literature review to identify key sources for understanding the links between parking supply, transit ridership, and transit revenues. This would also include an evaluation of demographic, social, and technological changes that may affect parking needs in the next five, ten, or fifteen years.
5. An assessment of the effectiveness of Metro's planning process for parking, as well as its parking policies and procedures, and identify recommendations for improvement.

For an in-depth review of practices and operations at the local level, the audit team selected six existing stations with parking lots, and three planned stations, as noted below:

Table 1: Selected Stations for Analysis

Status	Station Name	Municipality	Metro Line/Extension
Existing	103 rd and Watts	Los Angeles	Blue
Existing	Aviation/LAX	Los Angeles	Green
Existing	Culver City	Culver City	Expo
Existing	Expo/Crenshaw	Los Angeles	Expo
Existing	Fillmore	Pasadena	Gold
Existing	North Hollywood	Los Angeles	Red/Orange
Planned	Arcadia	Arcadia	Gold (Extension)
Planned	Downtown Santa Monica	Santa Monica	Expo (Extension)
Planned	Inglewood	Inglewood	Crenshaw/LAX Corridor

In general, the audit team found that there are many factors other than the availability of parking that impact transit ridership, and estimates indicate that increasing the amount of parking would result in significant costs with relatively modest impacts on ridership.

The audit team did find opportunities to monitor utilization and expand parking management tools in order to maximize use of the existing facilities. Key recommendations to Metro include:

- Focus monitoring and evaluation of supply/demand at nine stations— North Hollywood, Universal City, Norwalk, Culver City, Sierra Madre, Aviation, Del Amo, Lakewood and Atlantic—which currently have high utilization and high ridership
- Explore opportunities to redirect park-and-riders from highly utilized lots to underutilized lots nearby, where possible
- Evaluate the need for improved signage, lot re-striping, and shared parking at existing stations to maximize capacity
- In collaboration with local and regional partners, consider how to expand policy and planning goals that incorporate increased employment density around transit stations, which the literature shows to be a primary factor in increasing transit ridership

II. BACKGROUND

A. Metro History and Organization

Created in 1992 by State of California Assembly Bill 152, the Los Angeles Metropolitan Transportation Authority (“Metro”) serves as transportation planner and coordinator, designer, builder, and operator. Through bus and rail services, Metro provides transportation options for more than 10 million people across its 1,433-square-mile service area.

Under the leadership of the Chief Executive Officer, and governed by a Board of Directors, the agency is divided in to 11 divisions, including: Engineering & Construction, Planning & Development, Operations, Finance & Budget, Information Technology, Vendor/Contract Management, Communications, Labor Relations, Program Management, Corporate Safety & Risk Management, and LA Metro Protective Services.

B. Metro Annual Budget

For Fiscal Year 2015-16, Metro’s total budget was over \$5.5 billion, including all operations, capital projects, administrative costs and financing. The table below details sources of funds, as budgeted for the year.

Table 2: Budgeted Revenues for FY 15-16

Revenue/Source	FY 15-16 Amount
Passenger Fares	\$376,000,000
TDA/STA	\$487,500,000
Proposition A - Cent Sales Tax	\$763,500,000
Proposition C - Cent Sales Tax	\$763,500,000
Measure R - Sales Tax	\$763,500,000
Federal and State Grants	\$950,300,000
Bond Proceeds	\$1,317,200,000
Other System-Generated Revenue	\$146,900,000
Total Revenues/Sources of Funds	\$5,568,400,000

Source: Metro

As shown, the largest source of funds comes from bond proceeds. Passenger fares and other system-generated revenue represent the lowest sources of funds in Metro’s annual budget.

The table below details the agency’s uses of funds, as budgeted for the year.

Table 3: Budgeted Expenditures for FY 15-16

Expenditure/Use	FY 15-16 Amount
Bus Operations	\$1,050,400,000
Rail Operations	\$399,200,000
Regional Activities	\$22,800,000
Measure R Transit Capital	\$1,525,200,000
Operating Capital	\$469,200,000
Regional Rail Capital	\$46,600,000
Highway Capital	\$90,300,000
Subsidy Funding Capital	\$1,373,100,000
Congestion Management	\$93,100,000
General Planning & Programs	\$169,800,000
Debt Service	\$328,700,000
Total Expenditures/Uses	\$5,568,400,000

Source: Metro

As shown, the areas of highest expenditures include Measure R Transit¹, Subsidy Funding, and Bus Operations.

Metro is responsible for the distribution of local, state and federal transportation funds in Los Angeles County. Over the next ten years, transportation funds available to local jurisdictions through local return sales tax revenue (i.e., Proposition A, Proposition C, Measure R), gas tax, and federal STP-L are estimated to reach over \$10 billion. Metro uses a Call for Projects process for programming regional funds to cities, the County, and local agencies.

C. Metro Services and Ridership

As noted above, Metro provides bus and rail transit service for the County. The bulk of those operations are for the bus program, which serves a significantly larger footprint across the County, and thereby a larger number of riders.

The table below provides a brief summary of basic operations for Metro's bus and rail services.

¹ Measure R was a 2008 ballot measure to provide a half-cent sales tax for transportation projects. The Measure R Expenditure Plan funds seven transportation categories as follows: 35% to new rail and bus rapid transit projects, 3% to Metrolink projects, 2% to Metro Rail system improvement projects, 20% to carpool lanes, highways and other highway related improvements, 5% to rail operations, 20% to bus operations, and 15% for local city sponsored improvements.

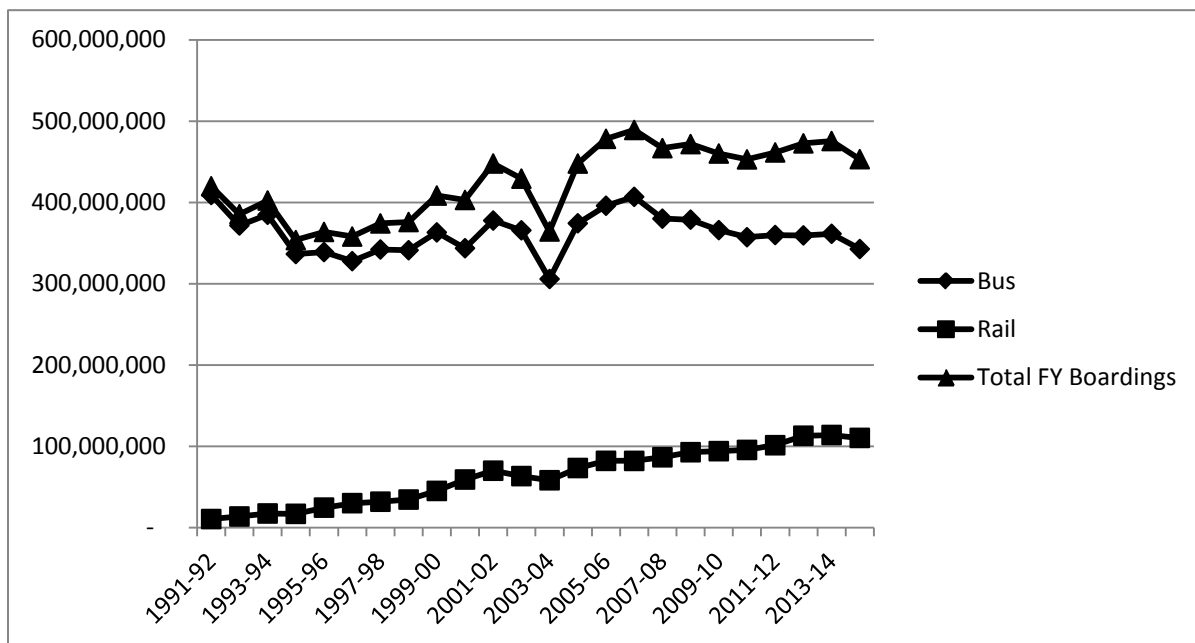
Table 4: Bus and Rail Service Summary

	Bus	Rail
Stops/Stations	15,967	86
Miles in Service Area	1,433	98.5
Number of Bus Routes/Rail Lines	170	6

Source: Metro

To demonstrate ridership throughout the system, the following charts show bus, rail, and total transit (including both bus and rail) boardings over the past twelve years. Exhibit 1 below illustrates this change over time for annual ridership across the system.

Exhibit 1: Annual Ridership on Bus and Rail Lines, 1991-2014



Source: Metro

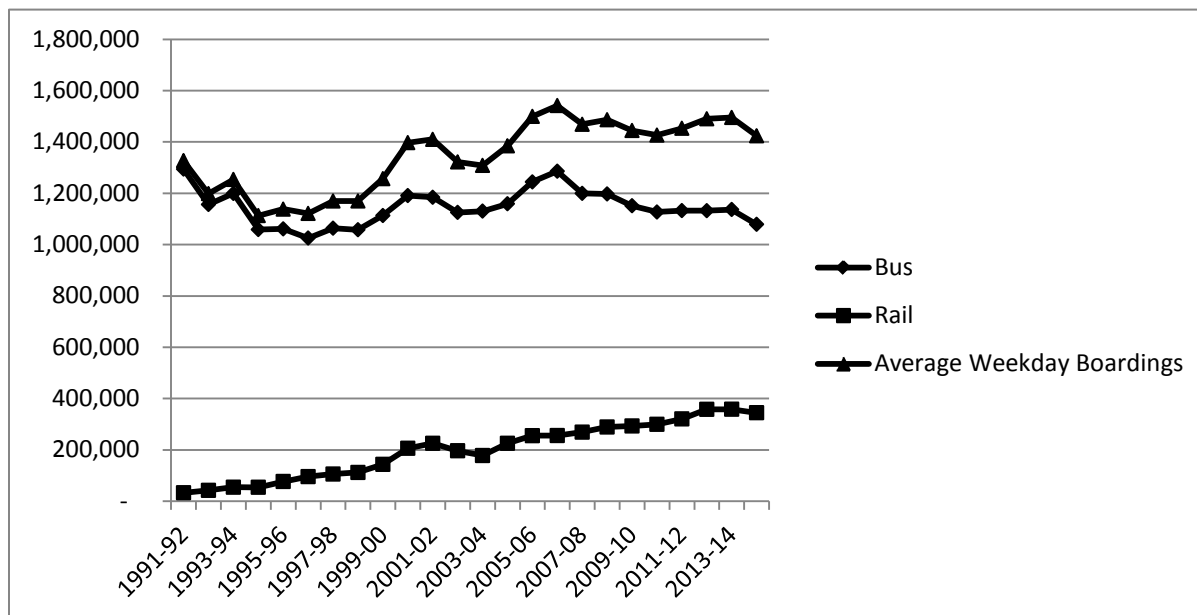
As shown above, bus ridership has declined since 1991-92, although it slightly rebounded from a marked drop in 2003-04. Bus ridership leveled off in recent years at around 350,000,000 annual boardings, but experienced another slight decline in 2013-14, the latest year of data.

Conversely, rail ridership has experienced a slow but steady increase since 1991-92, with a similar but much less drastic decline during 2003-04.

In total, rail ridership represents a fraction of total annual Metro ridership, roughly 20 percent.

The exhibit below shows the same measures across the same time period for average weekday ridership.

Exhibit 2: Average Weekday Ridership on Bus and Rail Lines, 1991-2014



Source: Metro

Again, bus ridership has declined over time, while rail ridership has slowly but steadily increased. The percentage of average weekday rail ridership of the total ridership is approximately 28 percent—slightly higher than its portion of the annual ridership.

According to a recent study, "Rail investments tend not to increase overall transit ridership in most cities; rather, most rail transit commuters are former bus commuters, not former drivers, and the main effect of rail investment may be giving transit users a faster transit option rather than reducing VMT and associated emissions (Baum-Snow and Kahn, 2005)."

This could be a plausible explanation of ridership trends in Los Angeles, as total ridership has remained relatively flat while bus ridership has declined and rail ridership has increased.

Metro conducts an annual rider survey to measure customer satisfaction and collect demographic information on riders. The two questions commonly asked that are most relevant to this audit include:

- Do you have a car available for this trip?
- How did you get to the first bus or train of this trip?

Results from these survey questions over the past five years can be seen below.

Table 5: Customer Satisfaction Survey Responses, 2011-2015

Year	Car available for trip?		How did you get here?					Total Responses
	Yes	No	Walked	Dropped Off	Drove	Biked	Other	
2011	25%	75%	n/a	n/a	n/a	n/a	n/a	14,921
2012	19%	81%	83%	8%	3%	3%	3%	21,873
2013	21%	79%	80%	9%	4%	4%	3%	17,377
2014	31%	69%	84%	6%	3%	3%	4%	21,536
2015	22%	78%	79%	9%	5%	4%	3%	19,793
average	24%	76%	82%	8%	4%	3%	3%	19,100

Source: Metro

According to the responses received over the past five years, no more than 5 percent of bus and rail transit riders drove to their first trip—presumably because an average of 76 percent of these riders did not have a car available for the trip. In each year, the overwhelming majority of riders walked to the first bus or train of the trip.

D. Metro Mission and Policies

According to its mission statement, “Metro is responsible for the continuous improvement of an efficient and effective transportation system for Los Angeles County”.

The agency’s core goals include:

- Goal 1: Improve transportation services.
- Goal 2: Deliver quality capital projects on time and within budget.
- Goal 3: Exercise fiscal discipline.
- Goal 4: Provide leadership for the region’s mobility agenda.
- Goal 5: Develop an effective and efficient workforce.
- Goal 6: Secure local, state, private sector, and federal funding.
- Goal 7: Maintain open lines of communication.
- Goal 8: Enhance a safety-conscious culture with employees contractors and customers.
- Goal 9: Sustain the environment with energy efficiency and reduce greenhouse gas emissions.

To achieve these goals while ensuring effective management of the fare and operating system, Metro outlined several strategies as part of the FY 15-16 budget process in order to improve operating/organizational efficiencies, reduce operating costs, strengthen cost controls, and explore opportunities for generating alternative revenues. These include:

- Safety and security
- Transit service quality improvements
- Delivery of rail and highway projects

- Bike programs
- Technology enhancements
- New initiatives including first last mile

As it defines its own goals, Metro must take into account guidance and mandates from other levels of government. Federal, state, regional and local policies support increased use of public transportation as a means to ease roadway congestion, reduce greenhouse gas emissions, and support economic and physical health in communities. The State of California, in particular, has taken several steps to urge local jurisdictions to adopt policies and practices that promote modes of transportation that reduce the environmental impact.

- California Department of Transportation’s Deputy Directive 64-R1 emphasizes all transportation improvements as opportunities to improve safety, access, and mobility travelers in California and recognizes bicycle, pedestrian, and transit modes as integral elements of the transportation system.
- The California Global Warming Solutions Act of 2006 (AB 32) sets a mandate for the reduction of greenhouse gas emissions in the state, and the Sustainable Communities and Climate Protection Act of 2008 (SB 375) requires emissions reductions through coordinated regional planning that integrates transportation, housing, and land-use policy.

Achieving the goals of these laws will require significant increases in travel by public transit, bicycling, and walking.

Metro’s policies are adopted by the Board of Directors and implemented by Metro employees. Recent major policy documents produced by Metro include

- 2009 Long Range Transportation Plan: in response to SF 375, Metro adopted this plan to “respond to emerging environmental challenges by providing alternatives to driving alone”
- 2012 Countywide Sustainability Planning Policy and Implementation Plan: to guide the integration of sustainability in the agency’s planning function
- 2014 First Last Mile Strategic Plan: to outline a specific infrastructure improvement strategy designed to facilitate easy, safe and efficient access to the Metro system
- 2014 Complete Streets Policy: to support an integrated multimodal transportation system
- 2015 Active Transportation Strategic Plan (in process)

E. Metro Parking Policies

Metro’s policies regarding parking are primarily reflected in the 2003 and 2009 Parking Policy documents, and have been summarized by Metro as follows:

Metro recognizes that to support a high level of demand for ridesharing and to make the transition to and from public transit as seamless as possible, adequate parking must be available for patrons to easily move from one mode to the next. Providing parking facilities at key locations is critical to accommodate the growth in usage as the public responds to TDM strategies. Our existing Metro Station parking program helps manage parking resources and anticipates future parking demand. Metro will continue to investigate other options, including technological solutions, to increase the supply of parking facilities in key sites to make this alternative as attractive as possible. This approach may also utilize privately owned parking facilities and develop parking facilities that are located near freeways with carpool lanes or busways. Continuous work is needed to plan the growth of the network of park-and-ride lots that are safe and convenient for travelers to use.

Metro's 2009 Parking Policy also notes:

In a region where auto usage represents over 85% of the regional trips, adequate parking near transit facilities is a crucial component of the transit system. This policy applies specifically to Metro facilities. Metro will work with the jurisdictions adjacent to Metro facilities to encourage them to consider and implement the policies included in this document. The parking management policy emphasizes two primary courses of actions, modify demand or increase supply, and in the long term to anticipate the need for both.

The primary policy goals outlined in the 2009 document include:

- Improving Alternative Access to Transit: This includes strategies that improve walking, cycling, ridesharing, and transit services.
- Analyzing, and where appropriate (i.e. parking lots at 75% capacity), including such strategies as:
 - Explore the formation of parking districts or authorities.
 - Implement charges for parking.
 - Improve the efficiency of parking.
 - Pursue lower cost options that increase parking supply in existing facilities.
- Creating off-street parking at high-demand locations near transit facilities and work with local jurisdictions to consider ways to increase on-street parking.
- Working with cities to develop better land use and transportation integration.

This report discusses specific strategies that Metro has undertaken to implement these policies, and recommends opportunities to more effectively achieve these goals.

F. Process for Constructing, Financing and Managing Parking at Metro Stations

i. Planning process

Under the National Environmental Quality Act (NEQA) and the California Environmental Quality Act (CEQA), Metro is required to complete an Environmental Impact Report (EIR) when there is substantial evidence that a project will have a significant effect on the environment. The purpose is to inform policymakers and citizens of potential environmental impacts that could result from the project. Examples of impact areas

include population, traffic, schools, fire protections, archaeological artifacts, and community beauty.

As such, Metro has been obligated to prepare an EIR when constructing all light rail lines and stations. These EIRs look at transportation impacts, like traffic flow, congestion, and safety. With regard to parking, Metro's light rail station EIRs contain estimates of the on-street parking spaces that will be lost, as well as estimates of the increased demand for parking that will result from the opening of the station. The EIRs include a recommended number of spaces to be provided at each station on opening day and several years into the future. In some instances, the estimates of the need for parking vary depending on the particular station design likely to be implemented.

Metro and the construction authorities (discussed below) are bound by the EIR to construct the number of recommended parking spaces determined during the EIR process to ensure proper compliance with environmental and other concerns. Municipal representatives and members of the public are invited to weigh in on the recommendations before they are adopted at a requisite number of public meetings held in the municipality.

ii. Financing

Typically, a significant amount of time passes between the EIR process, and the beginning of construction—primarily due to challenges in securing project financing. Metro line extensions are costly and require the coordination of multiple financing mechanisms.

iii. Construction

Once financing has been secured, the construction phase can begin. The State Legislature established construction authorities for the purpose of awarding and overseeing all design and construction contracts for completion of the Metro lines and extensions. These construction authorities have been tasked with:

- Conducting the financial studies and the planning and engineering necessary for completion of the project;
- Adoption of an administrative code, including a specified code of conduct, for administration of the construction authority, in accordance with laws relating to open meetings of public entities, contracting and procurement, contracting goals for minority and women business participation, and political reform; and
- Completion of a detailed management, implementation, safety and financial plan for the project, to be submitted to the Governor, the Legislature and the California Transportation Commission.

iv. Management

Following construction, the project returns to Metro for management and ongoing operations. The parking facilities specifically are managed by Metro's Parking Management Unit within the Countywide Planning and Development section of Metro's

Planning and Development Division. Jurisdictions that are planning a new station must work with Metro and the construction authority to determine the appropriate amount of parking spaces to build. Municipalities with existing Metro stations can implement solutions to manage the supply of parking and to mitigate the impacts of parking overflow onto nearby streets.

Metro operated over 2,000 parking spaces in 1989. By 2015, that number had grown to over 22,000. When the current expansion programs are completed for Expo and the Gold lines, the total number of parking spaces will total approximately 25,000.

According to Metro, “parking is a resource that needs to be effectively managed. Parking is also the first and the last impression for some transit riders. A well-managed supportive parking program will enhance transit riders’ experience.”

III. METHODS AND PROCEDURES

To complete this audit, the team conducted interviews with Metro staff and staff from the selected jurisdictions, as well as one of the Metro line construction authorities. The team conducted site visits to all of the selected stations. In addition, we reviewed:

- Metro ridership data.
- Metro parking utilization data.
- Economic and demographic data.
- Metro policies and procedures.
- Selected Environmental Impact Reports (EIRs).
- Metro Board agendas and minutes.

IV. FINDINGS

a. Finding 1 – Parking Utilization Overview and Transit Ridership Data

Metro Stations and Parking Facilities

There are currently 60 different Metro stations that offer parking with a total of 90 Park-and-Ride facilities, as seen in the Table below. Of the 90 total parking facilities, 15 are parking garages or structures and 75 are parking lots. Some stations have only one parking garage or lot, while others have several parking lots.

Table 6: Number of Metro Stations with Parking and Metro Parking Facilities (2016)

Metro Line	No. of Stations with Parking	No. of Parking Facilities
Blue Line	7	11
Expo Line (incl Phase II)	7	7
Gold Line (incl Phase II)	15	17
Green Line	12	18
Orange Line (BRT)	8	15
Red/Purple Line	4	9
Silver Line (BRT)	7	13
Total	60	90

Source: Metro

Of the stations shown above, there are 15 stations on Metro’s BRT lines with a total of 28 parking facilities and 45 stations on the light/heavy rail lines with a total of 62 parking facilities. As described further below in this section, not every Metro station has parking facilities. In general, parking is provided at “origin” stations, where riders board at the start of their transit journeys, such as commuters boarding at Culver City or Norwalk in the morning to go to work. Parking is generally not provided at “destination” stations, where more riders disembark, including stations in downtown Los Angeles or Hollywood, for example.

Parking facilities at Metro stations are owned and operated by a wide range of public agencies, cities, and private parties, as seen in the table below. Across the 90 different parking facilities there are 16 different owners and 11 different operators. Metro is the largest owner of parking facilities at 45, followed by Caltrans at 28. Metro is also the largest operator of parking facilities at 60, followed by Caltrans at 20. Of the 45 different facilities owned by Metro, 10 are parking garages and 35 are parking lots. As will be explained further in the below section, “Ongoing Parking Management and New Parking Initiatives”, the relatively divided ownership of Metro parking facilities can create management challenges due to conflicting mandates, differential enforcement, or lack of resources. In addition, although parking garages increase parking capacity on limited available land, there are significant expenses associated with their construction and maintenance.

Table 7: Owners and Operators of Metro Parking Facilities (2016)

Owner/Operator	Owned Facilities	Operated Facilities
Metro	45	60
Caltrans	28	20
City of Los Angeles	3	2
Southern California Edison	2	-
City of Culver City	1	-
City of El Monte / Metro	1	-
City of El Segundo	1	1
City of Los Angeles Community Redevelopment Agency	1	1
City of Pasadena	1	1
City of South Pasadena	1	1
County of Los Angeles	1	1
Fillmore Raymond MOB LLC	1	1
Lake Avenue Church	1	1
Lease Joint Effort/Metro, Foothill Transit, City of Azusa	1	-
Los Angeles Community College	1	-
West Los Angeles Church of God	1	1
Total	90	90

Source: Metro

The 90 different Metro parking facilities are located in 23 different jurisdictions in Los Angeles County, as shown in the Table below. Over half of these parking facilities are located in the City of Los Angeles. As with the ownership of parking facilities, the large number of separate jurisdictions that facilities are located in creates planning challenges. As described further in the below section, “Sample Station Analysis”, individual jurisdictions have significant input in the planning process for Metro parking facilities, and different jurisdictions may have different assessments of what their parking needs are, what the parking requirements should be, or willingness to invest their own resources in providing parking supply.

Table 8: Los Angeles County Jurisdictions with Metro Parking Facilities (2016)

Jurisdiction	No. of Metro Stations	No. of Parking Facilities
Los Angeles	30	47
Pasadena	4	4
Azusa	2	2
Compton	2	2
El Segundo	2	2
Gardena	2	2
Long Beach	2	5
Arcadia	1	2
Culver City	1	1
Downey	1	2
Duarte	1	1
El Monte	1	5
Hawthorne	1	1
Inglewood	1	2
Irwindale	1	1
Lynwood	1	2
Monrovia	1	1
Norwalk	1	2
Redondo Beach	1	2
Santa Monica	1	1
South Pasadena	1	1
Torrance	1	1
Wilmington	1	1
Total	60	90

Source: Metro

Metro Parking Supply & Utilization

As seen in the Table below, Metro currently provides over 25,000 parking spaces at its stations and facilities, of which approximately 86 percent are free. The 3,588 paid parking spaces are located at 18 different stations and comprise 14 percent of total parking. Nearly 70 percent of all paid spaces are located at just three stations, however: North Hollywood, Union, and Universal City.

Table 9: Free and Paid Parking Spaces by Metro Transit Type (2016)

Metro Transit Type	Free Parking Spaces	Paid Parking Spaces	Total Parking Spaces
Light/Heavy Rail	13,404	3,579	16,983
BRT	8,069	9	8,078
Total	21,473	3,588	25,061

Source: Metro

Prior to the recent Foothill Expansion on the Gold Line and the pending opening of the Expo Line Phase II, there were 50 stations with park and ride lots with a total of 79 parking facilities. Of these, 35 stations were along rail lines with a total of 51 facilities. Because Metro ridership data is most comprehensive for rail stations, these 35 stations and associated facilities form the bulk of the analysis below with respect to Metro ridership data. In addition, 2014 was the last year Metro completed a comprehensive assessment of parking utilization at Metro stations; parking supply and ridership data are therefore evaluated using 2014 data.² BRT data is presented wherever available.

As seen in the table below, in 2014 Metro had a total of 23,222 parking spaces with an average estimated daily parking utilization of 14,399 spaces, or 62 percent. This indicates that on any given day there could be close to 9,000 available parking spaces somewhere in the Metro system. Utilization is highly variable by Metro Line, however, ranging from a high of 87 percent on the Red Line subway to a low of 31 percent on the BRT Orange Line.

Table 10: Parking Spaces and Utilization by Metro Line (2014)

Metro Line	Total Parking Spaces	Estimated Daily Parking Utilization	Average Daily Parking Utilization Rate
Red Line	2,072	1,800	87%
Blue Line	2,036	1,683	83%
Gold Line	2,476	1,860	75%
Expo Line	1,521	994	65%
Silver (BRT)	3,631	2,256	62%
Green Line	5,451	3,347	61%
Red/Purple Line	1,878	1,153	61%
Orange (BRT)	4,157	1,306	31%
Total	23,222	14,399	62%

² According to Metro's utilization report: parking counts "were conducted during the summer months of June through August... [and] were conducted during the morning peak parking demand hours, between 8:30a.m. and 11:30 a.m. The data was collected on Tuesdays, Wednesdays and Thursdays during non-holiday weeks."

Source: Metro; estimated daily parking utilization calculated by audit team

The below summary by transit type shows that parking supply on light/heavy rail lines is generally much more heavily utilized than parking at BRT stations, with an average daily utilization rate of 70 percent across compared to 46 percent utilization for BRT.

Table 11: Parking Spaces and Utilization by Metro Transit Type (2014)

Metro Transit Type	Total Parking Spaces	Estimated Daily Parking Utilization	Average Daily Parking Utilization Rate
Light/Heavy Rail	15,434	10,837	70%
BRT	7,788	3,562	46%
Total	23,222	14,399	62%

Source: Metro; estimated daily parking utilization calculated by audit team

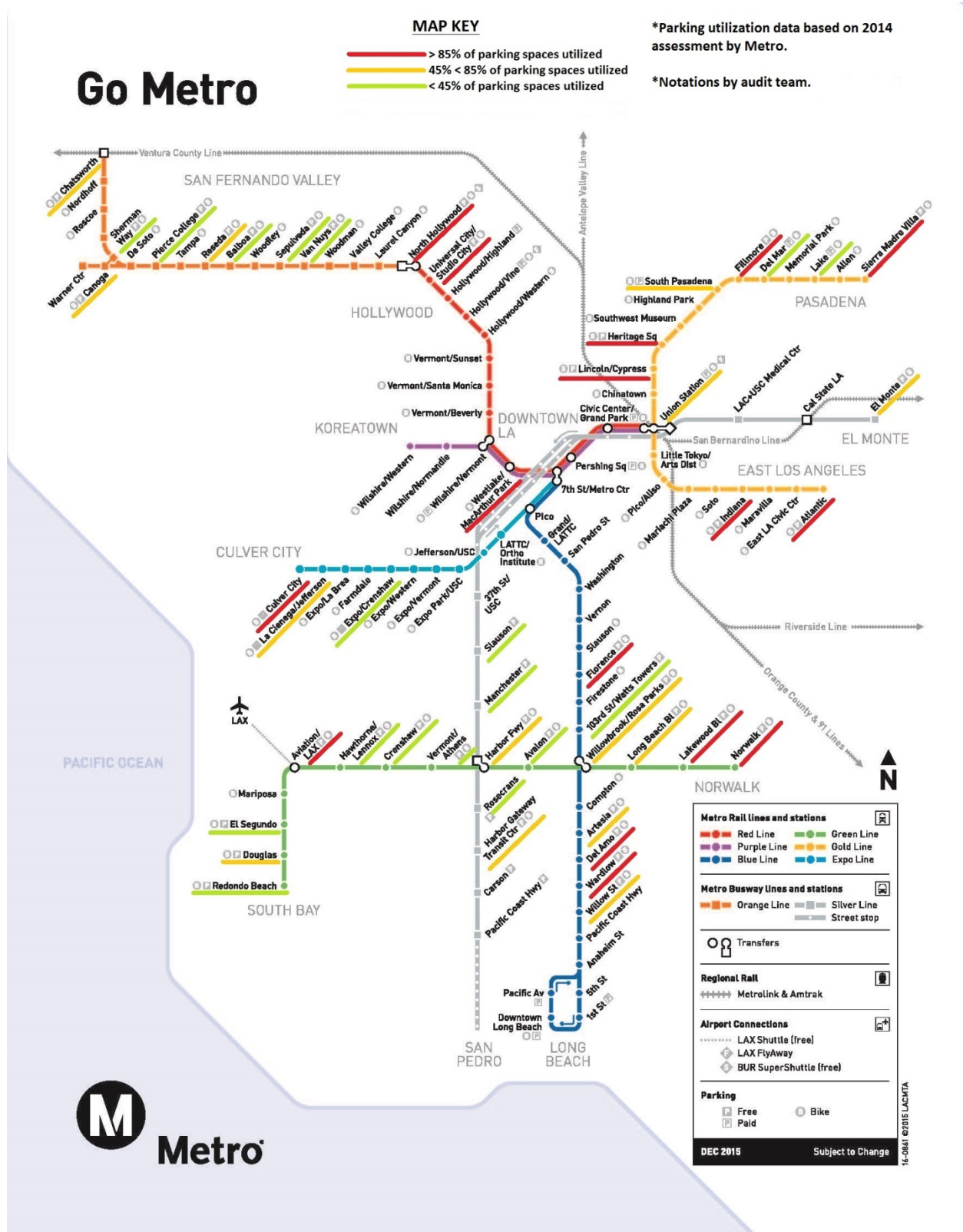
Parking Utilization By Metro Station

Even with different parking utilization levels observed by Metro lines, and the additional distinction between rail and BRT, there is also significant variation between stations along the same lines. To demonstrate this, we categorized Metro stations with parking into three primary utilization groups:

- 18 “Low Utilization” stations, where less than 45 percent of parking spaces were occupied during Metro’s assessment;
- 14 “Medium Utilization” stations, where between 45 and 85 percent of parking spaces were occupied;
- 16 “High Utilization” stations, where 85 percent or more parking spaces were occupied, indicating that Metro patrons could face difficulties securing a parking spot.

The below exhibit provides a graphical representation of where stations with Low, Medium, and High parking utilization are located in the Metro transit system. As can be seen, there are several notable patterns. For instance, many high utilization stations are located at the terminus of their respective Metro lines, including Sierra Madre Villa and Atlantic on the Gold Line, Norwalk on the Green Line, North Hollywood on the Red Line, and Culver City on the Expo Line. Low utilization stations are particularly concentrated along the Green, Silver, and Orange lines. In addition, high utilization stations are often adjacent to low or medium utilization stations, including stations along the Gold, Expo, Blue, and Green Lines. This indicates a mismatch of parking supply and parking demand that could be resolved through better public information. These patterns and potential solutions will be discussed further below in this section.

Exhibit 3: Parking Utilization by Metro Station (2014)



Source: Metro, notations by audit team

Parking Utilization by Station Parking Supply

It is important to note that parking utilization is not dependent on the total parking supply at any given Metro station. It could be, for example, that all stations with high utilization of parking supply are relatively small (which would indicate low parking supply relative to demand), or that all low utilization parking facilities are relatively large (which would indicate excess supply relative to demand). In order to test this, parking supply at Metro stations was grouped into three categories of approximately equal size:

- 17 “Large” stations with between 492 to 1,915 parking spaces.
- 15 “Medium” stations with between 227 to 491 parking spaces.
- 16 “Small” stations with between 18 and 226 parking spaces.

As seen in the Table below there are instances of Low, Moderate, and High parking utilization among all three parking supply categories. For example, approximately 46 percent of all rail stations are classified as High Utilization but these 16 stations are split between Small, Medium, and Large stations. Alternatively, 54 percent of Metro rail stations have either Low or Moderate Utilization of parking, but these 19 stations are nearly evenly divided between Small, Medium, and Large stations. By contrast, there are no BRT stations with High Utilization, regardless of whether the facilities are Small, Medium, or Large. This indicates that levels of parking utilization at Metro stations are largely driven by factors other than the relative amounts of parking supply.

Table 12: Parking Utilization by Relative Size of Station Parking Supply

Parking Supply by Transit Type	High Parking Utilization (# of Stations)	Moderate Parking Utilization	Low Parking Utilization	Total # of Stations
Rail Stations				
Large	5	3	3	11
Medium	4	4	2	10
Small	7	2	5	14
<i>Rail Subtotal</i>	<i>16</i>	<i>9</i>	<i>10</i>	<i>35</i>
BRT Stations				
Large	-	4	2	6
Medium	-	1	4	5
Small	-	-	2	2
<i>BRT Subtotal</i>	<i>-</i>	<i>5</i>	<i>8</i>	<i>13</i>
All Stations				
Large	5	7	5	17
Medium	4	5	6	15
Small	7	2	7	16
Metro Total	16	14	18	48

Source: Audit team calculations based on data from Metro

Parking Utilization by Station Ridership

As can be seen in the Table below, the highest ridership is on the oldest lines in Metro's rail system, including the Red, Purple, and Blue lines. These three lines represent approximately 70 percent of average weekday boardings for Metro but account for approximately 40 percent of parking supply and utilization. The Expo, Green, and Gold Lines, by contrast, account for approximately 30 percent of average weekday boardings and approximately 60 percent of parking supply and utilization.

Table 13: Daily Ridership and Parking Supply by Metro Line (2014)

Metro Line	Total Average Weekday Boardings	Total Parking Spaces	Estimated Daily Parking Utilization	Average Daily Parking Utilization Rate
Purple Line	9,027			
Expo Line	28,237	1,521	994	65%
Green Line	42,294	5,451	3,347	61%
Gold Line	42,678	2,476	1,860	75%
Red Line	60,799	2,072	1,800	87%
Blue Line	85,943	2,036	1,683	83%
Red/Purple Line	89,535	1,878	1,153	61%
Total	358,513	15,434	10,837	70%

Source: Metro; estimated daily parking utilization calculated by audit team

To further investigate the relationship between ridership and parking supply, the audit team broke out the ridership data by each individual Metro station and grouped them into three ridership categories of approximately equal size:

- 27 “High Ridership” stations, which averaged over 3,548 weekday boardings
- 26 “Moderate Ridership” stations, which averaged between 1,705 to 3,547 weekday boardings
- 27 “Low Ridership” stations, which averaged less than 1,704 weekday boardings

As seen in the Table below, of 80 total stations in Metro's rail system, only 44 percent, or 35 stations, have parking facilities. As with parking lot size, there is a range of parking utilization levels for different ridership categories. Of the 12 stations that provide parking that also have high ridership, seven stations have high parking utilization while five have low or moderate parking utilization. Of the 23 stations that provide parking that have low to moderate ridership, nine stations have high parking utilization while 14 have low to moderate parking utilization. This suggests that parking at high ridership stations is more heavily utilized, on average, than parking at stations with low to moderate ridership, although as can be seen there are examples of high parking utilization at all ridership levels.

Table 14: Parking Utilization by Relative Station Ridership Levels (2014)

Station Ridership by Total Average Weekday Boardings	High Parking Utilization (# of stations)	Moderate Parking Utilization	Low Parking Utilization	Stations with Parking	Stations without Parking	Total Stations
High Ridership > 3,548	7	4	1	12	15	27
Moderate Ridership 1,705 to 3,547	4	2	6	12	14	26
Low Ridership < 1,704	5	3	3	11	16	27
Metro Rail Total	16	9	10	35	45	80

Source: Audit team calculations based on data from Metro

Metro Stations Requiring Evaluation or Monitoring

Finally, we created a rubric that scores each station that provides parking according to the combined three categories of Parking Supply, Ridership, and Parking Utilization, as summarized below.

Parking Utilization

- 18 “Low Utilization” stations with less than 45 percent of parking spaces occupied
- 14 “Medium Utilization” stations with between 45 and 85 percent of parking spaces occupied
- 16 “High Utilization” stations with 85 percent or more parking spaces were occupied

Parking Supply Size

- 17 “Large” stations with between 492 to 1,915 parking spaces
- 15 “Medium” stations with between 227 to 491 parking spaces
- 16 “Small” stations with between 18 and 226 parking spaces

Ridership

- 27 “High Ridership” stations averaging over 3,548 weekday boardings
- 26 “Moderate Ridership” stations averaging between 1,705 to 3,547 weekday boardings
- 27 “Low Ridership” stations averaging less than 1,704 weekday boardings

As can be seen in the Table below, there are nine highlighted stations that have medium to large parking supply, moderate to high ridership, and high parking utilization.³ These nine stations should be further evaluated by Metro assess whether the high level of utilization and ridership indicates a demand for additional parking. Actions to be considered could include adding more paid parking spaces to effectively manage parking demand, exploring shared parking opportunities, establishing leases with outside parties, providing direction to drivers to access other available Metro parking, validating parkers at these stations to ensure they are Metro riders and not “poachers”, adding greater levels of parking enforcement, or exploring other expansions of supply in concert with the appropriate local jurisdiction. Metro is currently exploring many of these options, which will be discussed further in the section below, “Ongoing Parking Management and New Parking Initiatives”.

³ North Hollywood (Red/Orange), Universal City (Red), Norwalk (Green), Culver City (Expo), Sierra Madre Villa (Gold), Aviation (Green), Del Amo (Blue), Lakewood (Green), Atlantic (Gold)

Table 15: Matrix of Parking Supply, Ridership, and Parking Utilization by Station (2014)

Parking Supply	Ridership	Parking Utilization	# of Stations	Station Names
LARGE	HIGH	HIGH	4	North Hollywood, Universal City, Norwalk, Culver City
Large	High	Moderate	2	Union, Willow
Large	High	Low	-	
LARGE	MODERATE	HIGH	1	Sierra Madre
Large	Moderate	Moderate	1	Long Beach
Large	Moderate	Low	2	Crenshaw, Hawthorne
Large	Low	High	-	
Large	Low	Moderate	-	
Large	Low	Low	1	Del Mar
MEDIUM	HIGH	HIGH	1	Aviation
Medium	High	Moderate	2	Willowbrook, Artesia
Medium	High	Low	-	
MEDIUM	MODERATE	HIGH	3	Del Amo, Lakewood, Atlantic
Medium	Moderate	Moderate	1	Harbor Freeway
Medium	Moderate	Low	1	Expo/Crenshaw
Medium	Low	High	-	
Medium	Low	Moderate	1	La Cienega
Medium	Low	Low	1	Marine/Redondo
Small	High	High	2	Florence, Westlake
Small	High	Moderate	-	
Small	High	Low	1	103rd Street
Small	Moderate	High	-	
Small	Moderate	Moderate	-	
Small	Moderate	Low	3	Vermont, Avalon, Lake Avenue
Small	Low	High	5	Wardlow, Fillmore, Indiana, Lincoln Heights, Heritage Square
Small	Low	Moderate	2	Mission, Douglas/Rosecrans
Small	Low	Low	1	El Segundo

Source: Audit team calculations based on data from Metro

There are an additional six stations with medium to large lots and moderate to high ridership that are currently at a moderate level of parking utilization, including Union, Willow, Long Beach, Willowbrook, Artesia, and Harbor Freeway. Although there are currently a sizable number of available parking spaces at these stations, Metro should monitor for additional activity, and take action according to existing or planned policies if parking utilization increases to “High”.

At this time, there is less need to focus on stations that otherwise have significant available parking capacity and are therefore able to accommodate more riders. Smaller parking lots in general, even those that have high levels of utilization, should also not be an area of focus because parkers at these stations comprise a very small percentage of overall ridership. For example, although available parking supply is heavily utilized at some of the smaller parking facilities along the Gold Line, these stations have among the lowest ridership of any stations in the Metro system. Even significant relative expansions of parking supply at these stations are unlikely to have major impacts on the overall number of Metro riders. As will be illustrated further in the sections below, “Characteristics of Metro’s Rail Riders” and “Literature Review on the Determinants of Transit Ridership”, parkers at these stations comprise a relatively small number of an already-limited pool of riders, and ridership is likely relatively low along the Gold Line for reasons besides parking availability. Finally, as discussed in the next subsection, there is also available parking capacity adjacent to some Gold Line stations with high parking utilization.

Mismatches of Supply and Demand

Referring again to Exhibit 3 above on parking utilization by station, it can be clearly seen that many high utilization parking facilities are directly adjacent to low or moderate utilization facilities. With better public information and communications, park-and-ride commuters could be made aware of supply constraints and alternative parking opportunities in advance of their trips and directed to the nearest available facility. The below table lists some of these stations, including several where the distance between facilities are two miles or less and likely a relatively short automobile trip. While this will not be an ideal solution for many riders, it could be a good option for at least some transit users depending on their origin.

Table 16: Distance Between Stations with Parking Shortages and Stations with Parking Capacity

Metro Station with High Parking Utilization	Adjacent Metro Station(s) with Available Parking Capacity	Distance Between Stations
Fillmore (Gold)	Del Mar, South Pasadena	0.6 mi, 1.8 mi
Culver City (Expo)	La Cienega Jefferson	1.0 mi
Wardlow (Blue)	Willow St.	1.1 mi
Aviation/LAX (Green)	Hawthorne/Lennox	1.7 mi
Del Amo (Blue)	Artesia	2.7 mi
Lakewood Blvd (Green)	Long Beach Blvd	4.7 mi

Source: Audit team calculations based on data from Metro

Metro recently issued a Request for Proposal for a “Parking Guidance System” that will have some of the recommended capabilities suggested above. This RFP will be discussed further in the section “Ongoing Parking Management and New Parking Initiatives”. Metro should explore alternatives as directed above for other high capacity

stations that are not near stations with available capacity, including the terminus stations of North Hollywood, Sierra Madre Villa, Atlantic, and Norwalk.

a. Finding 1B – Characteristics of Metro’s Rail Riders

Metro completes annual surveys of its bus and rail riders to gather information including age, income, and race, as well as their riders’ means of transportation to Metro stations and stops. As can be seen in the below table, there are significant differences between Metro’s rail customers and the overall population of Los Angeles County. Comparing 2014 Metro Rail survey data with 2014 Census data for the County, Metro riders are more male and comprised of more working-age adults than the County as a whole. In addition, Metro Rail serves a diverse group of riders, as shown in Table 17 below. Finally, Metro riders have considerably lower median and average household income. These results are generally consistent with what is established in the transit literature regarding the characteristics of transit users, as described further in the section below, “Literature Review on the Determinants of Transit Ridership”.

Table 17: Los Angeles County Pop. and Metro Rail Rider Characteristics (2014)

Category	Los Angeles County	Metro Rail Riders
Gender		
	<i>Male</i>	49%
	<i>Female</i>	51%
Age		
	<i>Less than 18 years</i>	23%
	<i>18 to 64 years</i>	65%
	<i>Over 65 years</i>	12%
Race		
	<i>White</i>	27%
	<i>Black</i>	8%
	<i>American Indian</i>	0.2%
	<i>Asian/Pacific Islander</i>	15%
	<i>Latino</i>	48%
	<i>Other</i>	2%
Median Household Income	\$55,746	\$21,980
Average Household Income	\$83,104	\$37,142

Source: 2014 American Community Survey (ACS); Metro

In Metro’s 2014 “First Last Mile Strategic Plan & Planning Guidelines” document, Metro summarized the findings from their 2011 Metro On-Board survey as follows: “One of the surprising findings from the Metro survey data is the small number of transit riders parking at stations. Though highly visible in communities, parking facilities support only 6.2% of Metro Rail users, and only 3.8% of Metro BRT users. Of this relatively small user group half live close enough to walk or bike to stations.” The report further elaborated that 91 percent of Metro Rail and BRT users walk, bike, or take buses to stations while 9 percent drive and park or are dropped off stations.

The results from Metro’s Customer Satisfaction Survey produce different figures for a similar but slightly altered question. As seen in the Table below, Metro survey data from 2012 to 2015 shows that an average of 15 percent of Rail survey respondents stated they drove to get to the first bus or train of their rail trip, compared to 4 percent across the entire Metro transit system (including buses). According to the 2014 Rail survey results, 76 percent of Rail riders walked, biked, or used other means to get to the first bus or train of their trip, while 15 percent drove and nine percent were dropped-off. These figures therefore do not separately account for rail riders who arrived at their station via bus.

Table 18: % of Survey Respondents Who Drove “to the first bus/train of this trip”

Year	System-wide	Rail Only
2012	3%	15%
2013	4%	17%
2014	3%	15%
2015	5%	12%
Average	4%	15%

Source: Metro Customer Survey Data

The reasons for the discrepancy between the figures in Metro’s Strategic Plan and the raw results of the Customer Satisfaction Survey are not known at this time. However, the figures noted above are generally consistent with audit team estimates, depending on whether and how round-trips are accounted for. As provided in the Table below, combining weekday boarding data with average parking utilization data, we estimate the percentage of boardings by station likely to be attributable to drivers and their passengers.⁴ Although these estimates are consistent with some limited Metro data on the percentage of riders who park at specific stations⁵, they are for illustrative purposes only and should not be interpreted as scientific. The figures have many clear limitations, including the fact that they cannot account for “poachers” (drivers who use Metro parking without riding transit), distinguish between one-way trip boardings versus round-trip boardings, or account for natural turnover among parking spots (parking spots that support multiple riders over the course of a single day). They can, however, provide a sense of scale and clarify important differences between stations. As can be seen, park-and-riders may account for as few as an estimated 0.2% of all boardings at Westlake to as many as an estimated 37 percent of all boardings at Norwalk and 35 percent of boardings at Sierra Madre Villa. Many of the stations where park-and-riders account for an estimated 10 percent or more of all boardings were previously identified in our matrix as high-priority stations for continued monitoring and evaluation.

⁴ Based on an average vehicle occupancy of 1.103.

⁵ Metro Data (“Paid Parking Pilot Program” PowerPoint, Feb. 10, 2016) vs HMR Estimate: North Hollywood (9% to 7%); Universal City (13% to 12%); Atlantic (8% to 13%); Culver City (15% to 15%)

Table 19: Parked Vehicle Passengers as Percentage of Boarding by Metro Station

Metro Line	Station	Total Average Weekday Boardings	Avg No. of Utilized Parking Spaces	Park-and-Riders as Estimated % of Boardings
Green	NORWALK	4,571	1,523	37%
Gold	SIERRA MADRE VILLA	2,784	888	35%
Blue	WILLOW	4,119	737	20%
Expo	LA CIENEGA/JEFFERSON	1,659	247	16%
Green	LAKWOOD	2,654	389	16%
Gold	HERITAGE SQR/ARROYO	821	116	16%
Expo	CULVER CITY	4,179	580	15%
Gold	DEL MAR	1,599	214	15%
Gold	ATLANTIC	2,031	247	13%
Red	UNIVERSAL CITY	7,806	862	12%
Green	AVIATION	3,767	402	12%
Blue	DEL AMO	3,353	352	12%
Green	LONG BEACH	3,099	291	10%
Gold	FILLMORE	1,528	139	10%
Green	MARINE/REDONDO	1,180	101	9%
Expo	EXPO/CRENSHAW	2,180	167	8%
Green	CRENSHAW	3,120	226	8%
Gold	MISSION	1,668	112	7%
Gold	LINCOLN HEIGHTS	1,327	86	7%
Green	HAWTHORNE	2,811	174	7%
Red	NORTH HOLLYWOOD	16,671	1,031	7%
Green	HARBOR FREEWAY	3,057	172	6%
Blue	ARTESIA	4,051	226	6%
Blue	WARDLOW	1,688	90	6%
R/P/G	UNION	33,775	1,135	4%
Green	EL SEGUNDO/NASH	878	27	3%
Green	DOUGLAS/ROSECRANS	821	20	3%
Gold	INDIANA	1,484	36	3%
Blue	FLORENCE	4,745	100	2%
Gold	LAKE AVENUE	1,753	22	1%
Blue	WILLOWBROOK/ROSA	19,729	187	1%
Green	AVALON	2,886	14	1%
Green	VERMONT	3,321	8	0.3%
Red/Purple	WESTLAKE	9,218	18	0.2%
Blue	103RD STREET	3,635	-	0%

Source: Metro; estimated daily parking utilization and estimated boardings calculated by audit team

Regardless of which estimates are used, at most 1 in 7 Metro rail riders are driving and parking at stations, whereas at least 6 out of every 7 riders are accessing stations via other means. The fact that the majority of Metro users walk, bike, or take the bus to access rail is consistent with what is known in the transit literature regarding the general characteristics of transit users and the primary determinants of transit ridership, as described further in the next section.

b. Finding 1C – Literature Review on the Determinants of Transit Ridership

There are many studies that have examined the various factors influencing transit ridership, including transit use in California and Los Angeles, but no conclusive studies on the role of parking supply in driving overall ridership. Although definitive statements are thus not possible, the available literature offers insights to explain the characteristics of transit use in Los Angeles. The literature suggests that parking availability is, at most, one of many factors that influence overall ridership in a regional transit system – and likely a much less significant factor than employment and population density, household income, race, age, levels of private vehicle ownership, fare levels, or service frequency.⁶ These insights are consistent with the information and findings presented in this report.

The Primary Determinants of Transit Ridership

A team of transportation researchers analyzed transit use across 265 urban areas in the United States and found that most of the variation in transit ridership can be explained by factors outside the control of transit agencies, including⁷:

- Regional geography: population and employment density, urbanized area, total population.
- Metropolitan economy: personal and household income.
- Population characteristics: age, immigrant status, race.
- Auto/highway system characteristics: percent of carless households, non-transit and non-vehicle trips (i.e., walking, biking).

The researchers determined that transit agencies do have control over certain transit policies that can make a difference: for example, 26 percent of the variation in per capita transit use observed by researchers could be explained by fare levels and service frequency. As the research team summarized: low fares attract passengers and infrequent service pushes passengers away.

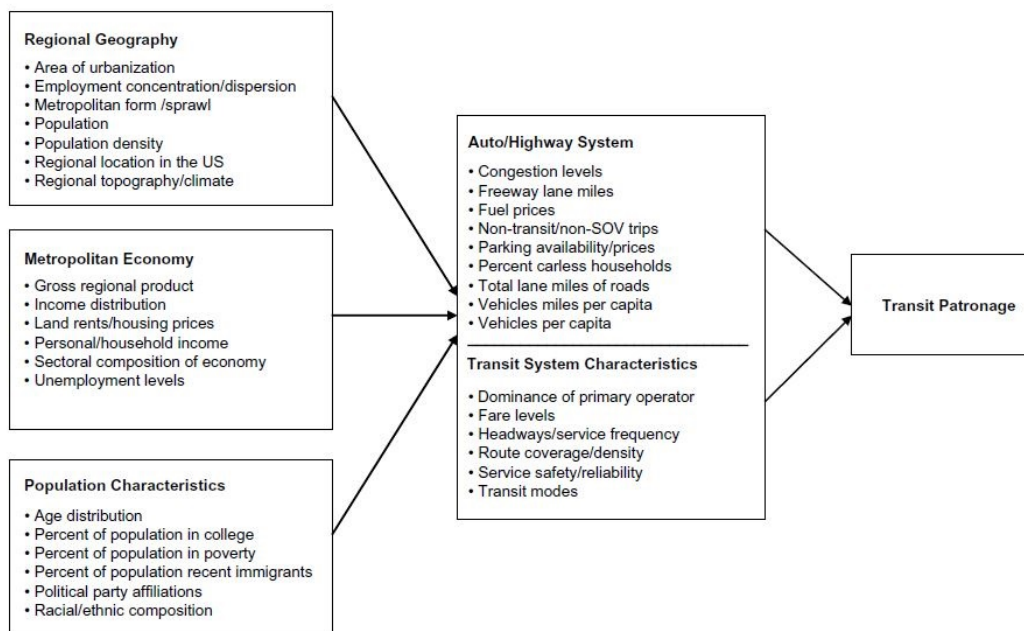
The exhibit below summarizes the researchers' findings regarding the determinants of transit demand.

⁶ "Nature and/or nurture? Analyzing the determinants of transit ridership across US urbanized areas". B.D. Taylor et al., Transportation Research Part A 43 (2009) 60-77.

⁷ (Ibid.)

Exhibit 4: The Determinants of Transit Ridership from Taylor et al.

B.D. Taylor et al./Transportation Research Part A 43 (2009) 60-77



Conceptual model of the factors influencing aggregate transit demand.

Source: “Nature and/or nurture? Analyzing the determinants of transit ridership across US urbanized areas”. B.D. Taylor et al., Transportation Research Part A 43 (2009) 60-77.

These findings are consistent with the results from the Metro customer survey provided above, namely that factors such as income, race, age, and access to a private vehicle all influence who rides transit. Further, there is evidence that Metro ridership peaked in 1985 following a fare reduction from \$0.85 to \$0.50 in 1982 as authorized by a County sales tax measure. Ridership increased rapidly over the three-year period of reduced fares prior to falling after fares increased again in 1986.⁸

A report from the Public Policy Institute of California delved into further detail on transit, density, employment, and ridership specifically for stations in California.⁹ This report shed light on many of the specific areas identified above, including residential and employment density, proximity to stations, travel patterns, and transportation mode choices. Below we present some key findings from the report, along with commentary on implications for Metro and Los Angeles County.

Residential & Employment Density

Residential and employment density are both key factors in determining the utility of transit: the more residents living near stations and the more jobs accessible by transit, the bigger the potential pool of transit customers. Of the two factors, however, the

⁸ “Railtown: The Fight for the Los Angeles Metro Rail and the Future of the City”, Ethan Elkind, 2014.

⁹ “Making the Most of Transit: Density, Employment Growth, and Ridership around New Stations”, Kolko et al, Public Policy Institute of California, February 2011.

research suggests that employment density is more strongly associated with transit ridership than residential density.

Table 20: Residential and Employment Density

Findings from PPIC & Other Literature	Implications & Relevance for Metro
<p>1. Employment densities at trip destinations affect ridership more than residential densities at trip origins. In fact, the relationship is nearly twice as large.</p>	<p>1. This was confirmed in the audit team's analysis, which discovered a moderate relationship between employment density within 1-mile of stations and ridership. This relationship was stronger than the relationship observed between residential density and ridership.</p>
<p>2. Compared to metropolitan areas nationwide, Los Angeles-Long Beach-Santa Ana are 2nd in population, 2nd in residential density, but only 23rd in employment density. San Francisco-Oakland-Fremont, by contrast, are 12th in population, 3rd in residential density, and 3rd in employment density.</p>	<p>2. Residential density in Los Angeles County is already high but employment density is relatively low. The PPIC authors concluded: "California's relatively low employment density [presents] a challenge for supporting transit investments and raising ridership." Metro and other regional policies have not been specifically oriented towards the issue of raising employment densities near transit stations.</p>
<p>3. Metropolitan areas where employment is more centralized in downtowns have higher transit ridership. 7 percent of employment is concentrated within the Los Angeles CBD, compared to 21 percent of employment in the San Francisco-Oakland CBD. Over twice as many people commute via transit in San Francisco compared to Los Angeles.</p>	<p>3. The dispersion of jobs and lack of centralized employment highlights additional challenges for rail in Los Angeles: only a fraction of the region's total employment is located in the CBD, although most existing transit lines are oriented towards downtown.</p>
<p>4. Employment density was highest around stations that opened prior to 1992.</p>	<p>4. This explains the audit team's earlier finding that ridership is still highest on Metro's oldest rail lines (see Table 13)</p>

Source: Public Policy Institute of California; implications by audit team

Proximity to Station

Transit ridership is also heavily dependent on proximity to transit, although, as with density, proximity to employment matters more than proximity to residence. -

Table 21: Proximity to Station

Findings from PPIC & Other Literature	Implications & Relevance for Metro
<p>1. Transit ridership falls sharply as distances from transit stations increase, particularly past ¼ or ½ mile.</p> <p>2. Workplace proximities to transit matter more than residential proximities for ridership purposes.</p>	<p>1. This aligns with Metro customer survey data that shows the majority of rail users walk to their stations. It was also confirmed in the audit team’s analysis, which discovered only a weak relationship between ridership and residential density at distances of 1, 2, and 3 miles.</p> <p>2. The finding on proximity to employment also makes sense because commuters generally have fewer transportation options available at their destination stations compared to their origin stations. This further highlights the importance of increased employment density around transit stations.</p>

Source: Public Policy Institute of California; implications by audit team

Travel Patterns and Transportation Mode Choice

Finally, proximity to transit does not in and of itself guarantee high ridership and investments in transit do not always lead to expected changes in travel behavior.

Table 22: Travel Patterns and Transportation Mode Choice

Findings from PPIC & Other Literature	Implications & Relevance for Metro
<p>1. Within a half-mile of a transit station, 7 percent of residents and workers commute via fixed-line transit such as subway or street-cars. Beyond a half-mile, only about 1 percent of residents and workers commute by fixed-line transit. Three-quarters of workers within a half-mile of a transit station drive alone to work.</p> <p>2. Rail investments do not always increase overall transit ridership in most cities because most rail riders are former bus riders and not former drivers.</p> <p>3. Transit investments may not reduce overall Vehicle Miles Travelled (VMT). Transit investments are generally designed to serve commuters, but commuting accounts for only 27 percent of VMT. In addition, congestion improvements often induce more driving.</p>	<p>1. This confirms Metro’s experience and the data provided above, which shows that even in areas where there is ample available parking, commuters are not being attracted to ride transit. People who own vehicles in general are less likely to use transit, simply because they have access to a car and especially if their place of employment is not easily accessible by transit.</p> <p>2. This finding could explain Metro data presented in the Background section of this report, which shows that while rail ridership has been increasing, bus ridership has been decreasing.</p> <p>3. VMT and congestion reduction have been major policy drivers for Metro and other regional planning agencies; however, the academic literature suggests these reductions may be difficult to achieve solely through transit investments.</p>

Source: Public Policy Institute of California; implications by audit team

Implications for Metro Parking Supply & Policy Considerations

The evidence from the literature does not suggest that parking availability and supply are significant enough factors to override the other inputs that drive transit ridership including household income level, accessibility to employment, and access to a private vehicle. Because the pool of riders who have access to a vehicle, who live near a transit station, whose employment is easily accessible by transit, and who are willing to ride transit is already limited, the literature indicates that parking availability will not have a significant impact on ridership if viewed in isolation from other factors. Instead, parking supply and demand should be actively managed by Metro based on pre-established criteria and priorities such as location, land use, density, and ridership.

Further, due to the costs of building and maintaining parking facilities (see Finding 4 “Barriers to Parking”, below), and the fact that most Metro parking is provided for free or below-cost, most drivers who park at Metro facilities are receiving an additional subsidy on top of their already subsidized transit fares. There are many legitimate reasons in terms of both policy goals and customer service that Metro may provide this subsidy. However, if Metro’s primary goal were to significantly increase ridership using measures under its direct control, the literature suggests that Metro should cut fares or increase the frequency of existing service.

Finally, the above findings from the literature suggest that Metro and its regional and local partners should incorporate the facilitation of increased employment density around transit stations as a more explicit goal in relevant policy and planning documents. This is likely to be an effective land-use change that would facilitate increased transit ridership.

Looking Ahead

The transit literature would also predict that the biggest ridership impacts are likely to result from pending or in-progress major Metro projects that will connect more employment centers and facilitate faster regional travel. In particular,

- The Purple Line west-side extension project, which will travel through the jobs-rich Wilshire corridor and terminate at UCLA, a major regional employment center
- The Regional Connector, which will create new stations in the jobs-rich downtown and connect more origins and destinations without the need for transfers (i.e., from Azusa to Santa Monica, or Long Beach to Pasadena, etc.)
- The pending Expo Line Phase II, which terminates in Santa Monica, a major regional destination

The ridership impacts from these extensions are likely to be larger compared to other recent expansions of the transit system, including the first phases of the Expo and Gold light rail lines, and the Silver and Orange BRT lines.

Regarding transit ridership and parking utilization, we recommend that Metro:

- 1.1 Focus monitoring and evaluation of supply/demand at nine stations—North Hollywood, Universal City, Norwalk, Culver City, Sierra Madre, Aviation, Del Amo, Lakewood and Atlantic—which currently have high utilization and high ridership. Actions to be considered could include adding more paid parking spaces to effectively manage parking demand, exploring shared parking opportunities, establishing leases with outside parties, providing direction to drivers to access other available Metro parking, validating parkers at these stations to ensure they are Metro riders and not “poachers”, adding greater levels of parking enforcement, or exploring other expansions of supply in concert with the appropriate local jurisdiction.
- 1.2 Monitor utilization at six other stations—Union, Willow, Long Beach, Willowbrook, Artesia and Harbor Freeway—to track increases that may warrant the usage of additional parking management tools.
- 1.3 Identify tools to better inform park-and-riders of supply constraints and alternative parking opportunities, such as directing them to a nearby available facility.
- 1.4 In collaboration with local and regional partners. consider how to expand the policy and planning goals to incorporate increased employment density around transit stations, which the literature shows to be a primary factor in increasing transit ridership.

c. Finding 2 – Sample station analysis

As noted above, for our in-depth analysis we selected six existing Metro stations with parking, and three planned Metro expansion stations. Selection criteria used for the existing stations included: size of lot, rate of utilization, and geographic representation. Planned stations were selected based upon recommendations from the Grand Jury Committee, as well as geographic representation.

Table 23: Sample Stations, with Parking Availability and Utilization

Metro Station	Metro Line	Free Spaces	Paid Spaces	Total Spaces	% Parking Utilized	Ridership
Aviation/LAX	Green	390	-	390	102%	3,767
Culver City	Expo	586	-	586	100%	4,179
North Hollywood	Red/Orange	619	333	952	95%	16,671
Fillmore	Gold	130	30	160	88%	1,528
103rd /Watts	Blue	63	-	63	0%	3,635
Expo/Crenshaw	Expo	450	-	450	37%	2,180
<i>Arcadia</i>	<i>Gold</i>	<i>300/600</i>				
<i>Downtown Santa Monica</i>	<i>Expo</i>	<i>0</i>				
<i>Inglewood</i>	<i>Crenshaw/LAX</i>					

Source: LA Metro

Exhibit 5: Sample Station Maps

Arcadia



Expo/Crenshaw



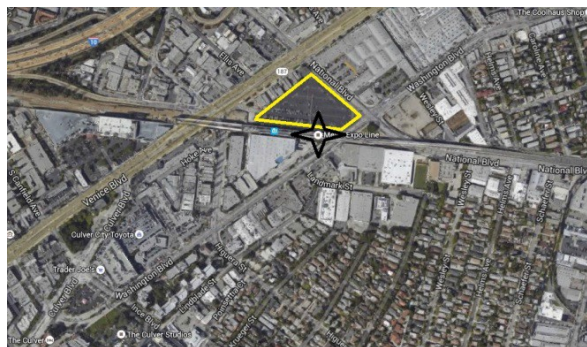
Aviation/LAX



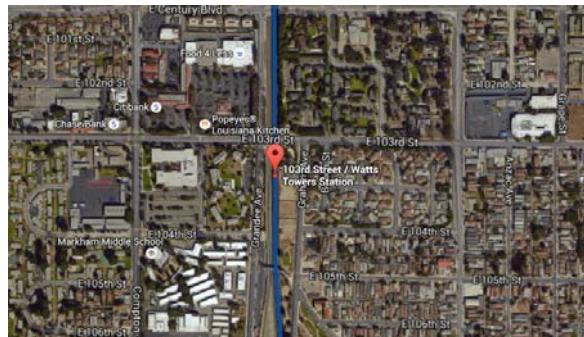
North Hollywood



Culver City



103rd Street/Watts



i. Outreach to Sample Sites

The audit team also conducted outreach to all station jurisdictions, successfully reaching five of the six¹⁰ jurisdictions: Arcadia, Culver City, Inglewood, Pasadena and Santa Monica. Contact persons in these jurisdictions varied, but typically included Transportation Directors, Planning Department staff, and/or Public Works officials. The audit team also interviewed the Chief Project Officer at the Foothill Gold Line Construction Authority.

General areas of inquiry for jurisdictions included:

- History of collaboration with Metro/Construction Authority during EIR and planning process
- Current collaboration with Metro regarding parking management at the station
- Local assessment of station parking needs
- Impact of excess demand (if applicable) on local community
- Local efforts to manage parking and/or promote alternative access modes (bikes, buses) to station

Below is a summary of major findings from the investigation of the sample locations.

- Jurisdictions have requested modification to planned parking structures.
- Jurisdictions have implemented local efforts to support increased Metro ridership.
- High parking utilization does not necessarily correspond with a need or desire for more parking.

Local Efforts to Modify Planned Parking Facilities

Arcadia:

The 2007 Final Environmental Impact Report (FEIR) for the Gold Line Foothill Extension project modeled a demand for 300 parking spaces on opening day during Phase I of the Gold Line development, when the line runs from Pasadena to Azusa, and a demand for up to 800 parking spaces by 2025 once the line is completed and continues from Azusa to Montclair.

However, when the City received design plans for Phase 1 development, the parking structure proposed did not have the capacity for expansion to accommodate the Phase 2 parking supply (800 spaces) as presented in the EIR. On May 15, 2012, the Arcadia City Council passed Resolution 6834 requesting that the Gold Line Foothill Extension Construction Authority design and construct the Phase 1 Gold Line Station Parking Structure to allow for future expansion of up to 800 spaces, as recommended in the EIR document. As a result of this Resolution and Arcadia's efforts generally, the

¹⁰ Four stations are located in the City of Los Angeles – Aviation/LAX, North Hollywood, Fillmore, 103rd/Watts. Despite exhaustive efforts, the audit team was unable to contact anyone at the City of Los Angeles (LADOT, City Planning), who could answer our questions regarding parking at the Metro stations.

Construction Authority designed the columns of the parking garage so that they would be able to hold additional decks of parking that might be built in the future.

Santa Monica:

Following the EIR and planning process for the three proposed Metro stations, Santa Monica city officials expressed concerns regarding the proposal to provide 70 parking spaces at the 17th Street Station, as presented by the Exposition Metro Line Construction Authority. Because of the city's density and walkability—with an estimated 50 percent of city residents living within a 10-minute walk of one of the three proposed Metro stations—Santa Monica city officials believed that additional parking was unnecessary, and would negatively impact quality of life by increasing traffic congestion. As an alternative, the City of Santa Monica proposed expansions of the Big Blue Bus services, as well as the construction of bike parking facilities at the stations. However, Construction Authority officials were unwilling to eliminate the provision for the 70 parking spaces, citing the approval for the spaces in the EIR.

There will be no additional parking¹¹ provided at the planned downtown Santa Monica station, and City officials stressed that this is by design and in alignment with the City's extensive long-term planning strategies for growth, development and sustainability.

Local Efforts to Support Ridership at Metro Stations

Santa Monica:

As noted above, the City of Santa Monica has invested in route expansions for the Big Blue Bus, which provides bus service around Santa Monica to locations throughout LA County.

Arcadia:

The City of Arcadia converted its previous dial-a-ride transit system to a fixed ride system to coincide with Metro's opening and to make stops at several points of interest, such as the race track, the shopping mall, and the hospital.

Culver City:

Installing bike racks and bike lockers at Metro stations continues to be a priority for the municipalities interviewed. In Culver City, for example, there were ten bike lockers at the station, as well as bike racks, and an additional ten bike lockers and fifteen bike racks were added recently.

Inglewood:

As it anticipates the need for more parking once this planned station becomes operational, the City of Inglewood is exploring opportunities to provide supplemental parking in the area by making existing lots available for a fee.

¹¹ It should be noted that there will be additional parking available at stations in between Culver City and Santa Monica, including Sepulveda. Sepulveda was not selected for the sample so is not addressed in more detail in this report.

High Utilization of Parking Does Not Necessarily Indicate a Need/Desire for Increased Capacity

Culver City:

A 600-space temporary parking lot at the Culver City Metro Station will soon be eliminated to make way for a transit-oriented development project. Construction for the project will begin in 2017, and will include a six-story, 1,500 space parking lot which will have 300 parking spaces reserved for Metro. According to both Metro’s utilization data and this audit team’s site observations, the current 600-space temporary is heavily utilized. However, the local jurisdiction has determined that the benefit of the transit-oriented development outweighs the need to meet parking demand.

ii. Site Visits and Observations

In addition to reviewing ridership and parking utilization data, the audit team conducted site visits the existing stations in the selected sample, plus Arcadia which opened during the course of this audit.

We recorded informal observations of parking lot activity and potential opportunity for improvement or expansion, with a focus on the following categories:

- Utilization: what level of usage was observed at the time of visit?
- Re-striping: were parking spaces striped in order to maximize availability?
- Shared Parking: were other lots located nearby with the potential for a partnership with Metro to expand capacity for park-and-riders?
- Signage: were signs for the lots adequate to ensure awareness and access?

Our observation of these factors at each station visited is shown below:

Table 24: Sample Station Observations

Station	Utilization	Re-Striping	Shared Parking	Signage
North Hollywood	High	Completed	Possible, Lots Nearby	Adequate
Aviation/LAX	High	Possible	Unlikely	Adequate
Watts/103rd St	Unknown	Unknown	Possible, Lots Nearby	Inadequate
Arcadia	Medium	Not Necessary	Possible, Lots Nearby	Excellent
Expo/Crenshaw	Medium	Not Necessary	Possible, Lots Nearby	Inadequate
Culver City	High	Possible	Possible, Lots Nearby	Adequate

While our observations and sample jurisdiction research were limited, they did point to important opportunities for Metro to consider enhancements at parking stations for expanding capacity or increasing utilization.

We recommend that Metro:

- 2.1 Evaluate opportunities for re-striping at high utilization parking lots in order to expand existing capacity at minimal cost.

- 2.2 Explore opportunities to supplement parking for Metro riders with access to existing lots near stations, with a focus on those stations with high utilization.
- 2.3 Ensure that signage is adequate and visible at parking lots, particularly those with low utilization, to increase access and usage.

d. Finding 3 – Barriers to expanding parking supply

To expand the supply of parking, Metro must take into account three major factors: physical constraints, land use and local community issues, and financial constraints.

Physical Constraints

As development in Los Angeles County continues, available land for parking expansion is in increasingly short supply. Around most existing Metro stations, the adjacent lots and areas have already been significantly developed, often in such a way that would prevent the addition of parking facilities.

Many stations are located close to other transportation infrastructure, such as highways and roads, further impeding Metro's ability to increase parking at existing stations and lots. And while vertical expansion of existing parking structures may be an option to explore in some locations, air rights may limit this opportunity and must be considered.

Land Use and Local Community Concerns

Additional challenges to expanding parking supply can be land use issues and local community concerns. The addition of parking may or may not align with the local jurisdiction's long-term strategic goals and vision for growth. As noted in the Background of this report, local governments must accommodate federal and state mandates regarding environmental protections and sustainability. These mandates may not allow for additional parking, in cases where existing infrastructure and environmental conditions may be negatively impacted.

Financial Constraints

As with most public projects, the primary constraint to expanding parking supply is the cost. Particularly because parking at transit stations has historically been offered at no cost, it represents a significant subsidy to riders and the public. These costs, detailed below, include construction, operations, and long-term financing which is often made possible through bonds. These costs carry obligations that can extend 20-25 years, potentially tying up funds that could be used for other purposes.

Examples of costs for recently constructed Metro parking facilities are shown below.

Table 25: Construction Costs for Planned Metro Stations

Station	Spaces	Cost	Cost Per Space	Notes
Arcadia	300	7,000,000	\$ 23,333	Garage & lot
Monrovia	350	8,000,000	\$ 22,857	Garage
Duarte	125	500,000	\$ 4,000	Lot
Irwindale	350	11,500,000	\$ 32,857	Garage
Azusa Citrus	200	8,500,000	\$ 42,500	Garage
Total (all)	1325	35,500,000	\$ 26,792	
Total (structures only)	1170	34,880,000	\$ 29,812	

Source: Metro

To understand the impact of long-term financing on a parking construction project, the audit team calculated the amortized cost of a bond valued at \$8,720,000 to build 293 parking spaces. The financing assumptions for the cost of amortization model include:

Bond amount	\$ 8,720,000
Annual interest rate	4.00 %
Loan period in years	30
Start date of loan	1/1/2016

At these rates, Metro would pay approximately \$6.4 million in interest over the 30 years, and the average daily cost per space would total roughly \$5.00. This amount includes only the costs of construction and financing; it does not include costs for the purchase of the land, or ongoing maintenance and operations costs.

To illustrate these costs even further, the audit team estimated the costs of doubling Metro's 2014 parking supply at rail stations from 14,452 parking spaces to 28,904 using the same financing assumptions outlined above. Assuming that the land available for parking lot expansion is constrained and that garages would be required to achieve a supply increase on this scale, the audit team estimates it would require a \$390 million bond to build 14,452 new parking garage spaces, with close to \$287 million in interest payments over 30 years. The average daily cost per space would total roughly \$4.30 per day. As before, these cost estimates do not include land purchases or maintenance and operations costs.

The ridership impacts of such an expanded parking supply are also unclear. If it were assumed that each new space were to attract one vehicle carrying new riders, that each new space were occupied, and that all new passengers were to complete round trips via transit, it is estimated that this would result in close to 16,000 new riders and 32,000 additional weekday boardings. Compared to 2014 average weekday rail boardings of 359,000, this would represent a total ridership increase of close to 9 percent.

As described in previous sections, however, it is unlikely that all parking spaces would be utilized and also unlikely that every rider attracted to newly available parking would be a new rider. Assuming instead a parking utilization rate of 70 percent and that only

50 percent of the parkers were new Metro customers, it is estimated that Metro would attract about 11,000 new customers resulting in an additional 22,000 weekday boardings. This would represent a ridership increase of 3 percent compared to 2014 rail data.

Either scenario would require significant financial investments for relatively modest ridership increases. \$390 million would comprise nearly seven percent of the agency's FY 2015-16 budget and would equal nearly the entirety of the FY 2015-16 rail operations budget. Further, if Metro continued to provide primarily free parking these costs would constitute significant additional subsidy for a relatively limited customer base. As previously stated, the academic literature suggests that Metro would likely be able to achieve more significant ridership increases by reducing fares, increasing service frequency on its existing routes, or significantly increasing employment density around transit stations.

e. Finding 4 – Ongoing Parking Management & New Parking Initiatives

Consistent with Metro's existing parking policy, Metro has engaged in a variety of parking management efforts to expand supply and manage demand at stations. These efforts have generally occurred on an ad-hoc basis and have included shared use parking agreements, parking leases, restriping parking lots at existing facilities, and expanding paid parking.

Metro's newly formed Parking Management Division is also spearheading several new initiatives to formalize parking policies and fees, develop an overall agency strategic plan for parking, more effectively manage demand at high-utilization parking lots, collect real-time data on parking utilization, and provide improved public information regarding parking availability. Many of these initiatives will address issues raised in previous sections of this report.

Ongoing Parking Management

Shared Use & Parking Leases

Shared parking programs allow Metro to partner with local jurisdictions or entities in order to provide parking. The advantage of these agreements is that parking is available to Metro patrons but the agency's construction, maintenance, and operating costs are mitigated. Metro currently has approximately 815 shared use spaces along the Gold Line Stations of South Pasadena, Fillmore, Del Mar, and Lake, representing about 3 percent of Metro's total parking supply. These facilities are owned and operated by other entities including the City of South Pasadena, Fillmore Raymond MOB LLC, the City of Pasadena, and the Lake Avenue Church, respectively.

Metro also leases two parking facilities for Metro patron parking. The Expo/Crenshaw parking facility on the Expo Line is owned and operated by the West Los Angeles Church of God. The original lease provided 450 spaces to Metro customers at an annual lease cost of approximately \$795,000, including a base annual lease payment of

\$282,000 and annual operating expenses of \$513,000—totaling approximately \$1,767 annually per vehicle, or about \$4.84 per vehicle per day. The facility, however, was poorly patronized and had a utilization rate of only nine percent. Metro has since reduced the lease to 225 spaces, but utilization remains low, at 37 percent. As noted in Finding 3, this utilization may be related to poor signage.

Metro also leases 373 spaces at the Pierce College station on the Orange Line BRT which has a 55% utilization rate. The lot is owned by Los Angeles Community College, and was secured through a prepaid lease payment of \$5.3million.

These leased spaces represent about two percent of current Metro parking supply. As noted, however, both facilities have low to moderate parking utilization and neither are high-ridership stations. Metro should reevaluate how parking need was estimated for both facilities, determine whether the leases should be modified or renegotiated, and determine whether funds could be better directed towards parking agreements at other appropriate high-ridership or high-utilization stations.

Restriping of Existing Facilities

Metro has also completed or initiated several projects to “re-stripe” existing parking facilities, including at Norwalk on the Green Line, Wardlow and Artesia on the Blue Line, and North Hollywood on the Red/Orange Line. These are lots whose original configurations were not designed to maximize the number of cars which could fit within the station area.

Completed work at Norwalk’s West Lot increased parking capacity from 198 to 306, an increase of 55 percent. Proposed work at Wardlow will increase parking capacity from 89 to 134, an increase of 51 percent. North Hollywood work added a new parking lot within the station area, creating an additional 191 spaces. This increased parking capacity at the station by 8 percent. Finally, although estimates were not available for the Artesia re-striping plans, a 50 percent increase on the order of Norwalk and Wardlow would increase parking capacity by about 149 spaces to 447 total spaces.

With the exception of Wardlow (which the audit team classified as a low ridership station with a small parking lot) the above stations were all previously identified for further evaluation or continued monitoring. Metro should consider evaluating whether Del Amo, Lakewood, Universal City, and Aviation are good candidates for re-striping, although as discussed below Caltrans ownership may complicate action at certain lots. In addition, not all lots are likely to yield efficiency gains on the order described above; Metro’s existing parking policy predicts typical gains on the order of five to 15 percent.

Preferred Parking Program

Metro's Preferred Parking Program was adopted in July of 2003 to start adding paid parking spaces at parking lots where utilization reaches or exceeds 90 percent. It allows patrons who register and pay online to secure a space prior to 11 a.m. After 11 a.m., the spaces are then available to others Metro riders.

The Preferred Parking Program is currently in operation at 15 stations, as shown in the table below. Approximately 21 percent of the total spaces at these stations, or 976 out of 4,708, are paid. Monthly rates for preferred parking spaces range from \$20 to \$59 and daily rates for paid spaces are generally about \$4, although both monthly and daily rates are higher at a few stations. Monthly passes are currently sold out at seven of the 15 stations.

Table 26: Metro Stations Participating in the Preferred Parking Program

Station Name	Metro Line	Free Parking Spaces	Paid Parking Spaces	Total Parking Spaces	Monthly Fee	Status
Artesia	Blue Line	266	32	298	\$ 25	Available
Atlantic	Gold Line	260	24	284	\$ 29	Available
Balboa	Orange Line	264	9	273	\$ 20	Available
Del Amo	Blue Line	338	61	399	\$ 25	Available
Fillmore	Gold Line	125	30	155	\$ 29	Available
Florence	Blue Line	95	20	115	\$ 25	Available
Heritage Square	Gold Line	118	11	129	\$ 20	Sold out
Indiana	Gold Line	37	5	42	\$ 29	Available
Lake	Gold Line	28	22	50	\$ 29	Available
Lincoln Heights	Gold Line	79	15	94	\$ 25	Sold out
North Hollywood	Red Line	735	375	1,110	\$ 59	Sold out
Sierra Madre	Gold Line	841	124	965	\$ 29	Sold out
Universal City	Red Line	633	195	828	\$ 55	Sold out
Wardlow	Blue Line	72	17	89	\$ 25	Sold out
Willow	Blue Line	817	36	853	\$ 25	Sold out
Total		4,708	976	5,684		

Source: Metro

Many of these stations were previously identified in this report for continued evaluation or monitoring. Or, as in the case of most Gold Line stations, action was not recommended because despite high utilization the facilities are relatively small and ridership is low. Exceptions include Balboa on the Orange Line and Lake on the Gold Line, both of which have low utilization of parking. In accordance with current policy, Metro should re-evaluate whether paid spaces are required or necessary at these stations.

Currently utilization levels for the paid preferred spaces identified above do not exceed 90 percent anywhere, which indicates that the paid rationing of spaces is effective at keeping at least some parking spots open at high-demand facilities for those willing to pay.

Finally, we identified seven stations for evaluation or continued monitoring (see Finding 1) which are not currently part of the Preferred Parking Program, including Culver City, Aviation, Lakewood, Long Beach, Willowbrook, Harbor Freeway, and Union.

The Union parking garage facility is owned and operated by Metro but all 1,860 spaces are unreserved paid spaces; the garage is currently classified as moderate utilization. Parking is free at high-utilization Culver City, although these spaces will eventually be replaced by a Transit-Oriented-Development, as described in the Finding 2. The remaining five stations are all owned by Caltrans, however, and are prohibited from charging for parking. Three of these stations are currently at high levels of parking utilization including Norwalk (85 percent), Lakewood (98 percent), and Aviation/LAX (103 percent).

Metro should continue exploring ownership transfer opportunities or alternative management arrangements of these lots, as well as continued opportunities to implement paid parking or other effective demand management techniques at these high utilization lots.

New Measures & Initiatives

As previously noted, there are currently several parking-related initiatives occurring at Metro. These include the recent passage of the agency's first parking ordinance and parking rate resolution, the initiation of a parking master planning process to culminate in the agency's first Strategic Plan for parking, the impending start of a paid parking pilot program, and a recently issued request-for-proposal for the development of a parking guidance system, which will facilitate improved signage, data collection, and public information.

Parking Ordinance and Parking Rate & Permit Fee Resolution

Metro's Parking Ordinance, Parking Rate Resolution, and Permit Fee Resolution were adopted in September 2015 to facilitate the agency's impending master planning process.

Metro had previously been operating without a parking ordinance, parking rate resolution, or permit fee resolution, which created enforcement challenges. The ordinance did not contain significant changes from previous law, policy, or practices, but instead served as a compilation of existing rules and regulations. The purpose was to enable Metro transit security to provide more effective enforcement at Metro's parking facilities. The parking rate and permit fee resolution standardized existing parking fees on a station-by-station basis.

The new ordinance is expected to be leveraged as a tool to implement future enforcement strategies and operations.

Supportive Transit Parking Program Master Plan

In fall 2015 Metro's Board of Directors approved a contract to conduct the Supportive Transit Parking Program Master Plan Study on behalf of Metro's Parking Management Unit.

The purpose of the master plan is to serve as a system-wide comprehensive parking study, with two major objectives: (1) to present findings to Metro's Board that will inform the Board's decision to continue Metro's existing parking program as is, or to increase the use of technology, incorporate more demand-management tools, and expand paid parking; and (2) produce a Strategic Plan to be adopted by Metro's Board, which will include a 5-10 year parking implementation plan, the adoption of an updated parking policy, and the identification of capital and technology projects.

The major components of the first phase of this study will include surveys and data collection, an assessment of the current program, public outreach and stakeholder meetings, and a range of analysis. Below are excerpts from the master plan statement of work, to highlight key activities that will take place over the course of the study, which is currently in progress and is expected to be completed later this year:

- An assessment of all parking facilities.
 - Identify locations with high demand and evaluate re-design potential.
 - Identify locations with low utilization and explore opportunities.
 - Evaluate pricing and its potential policy impacts.
 - Identify locations for preferred parking for car share and van pools.
 - Improve pedestrian and bike access plus facilities.
 - Enhance way finding and parking guidance.
- A ridership and parking demand model.
 - The consultant will build a model to estimate parking demand under different scenarios, enabling calculation of revenue projections and parking fee recommendations, as well as allowing the agency to calculate changes in parking demand when there are near-by changes in land-use, occupancy, income, and so on.
- A supply and demand analysis and projection of future parking needs.
- An evaluation of revenue projections, costs, and the feasibility of establishing a parking enterprise fund.
- An evaluation of Metro's parking enforcement, management, organizational structure, and maintenance schedule.

Based upon this study, Metro's Board will decide on continuing Metro's existing parking program "as is" with free and preferred parking, or to increase the use of technology, expand enforcement and paid parking, and incorporate more demand-management tools. Once the Board has determined the parking program's future policy direction, a strategic plan will be developed, which will include a 5-10 year parking implementation

plan, the adoption of an updated parking policy, as well as the identification of capital and technology projects.

Many of the tasks identified in this master planning process could help mitigate or better manage several of the issues identified earlier in this report. As Metro moves forward, however, it will be important to ensure that the tools, models, data, and recommendations that result from the master planning process are incorporated throughout Metro's Countywide Planning Department, and do not remain solely within the Parking Management Division. For example, planners who are involved on the front-end of parking planning at stations should have access to the future ridership and parking demand model, to ensure consistency and act as a check on internal models currently used for estimation purposes.

Paid Parking Pilot Program

In March 2016 Metro's Board of Directors approved a parking management pilot program to be implemented by the end of this year. Since the March Board meeting, as new Gold Line stations have opened, Metro has revised the list of stations for the Paid Parking Pilot Program, in order to reflect changes in parking utilization that have occurred with the opening of the Gold Line extension. Specifically, the Sierra Madre and Culver City stations have been replaced by APU/Citrus and Irwindale as seen in the Exhibit below. The program will include 7,826 parking spaces and will first be implemented at new stations along Phase II of the Expo Line. The primary purpose of the program is to help distinguish between transit users and parking "poachers" who use Metro facilities for free or at low-cost without using transit. "Poachers" have been previously identified as a major enforcement challenge for the agency. The program will use TAP Card readers to verify whether patrons had paid fares within the previous 96 hours, and charge differential rates accordingly.

As shown in the Exhibit below, daily parking rates will be approximately \$2 a day for transit users.

Exhibit 6: Metro Stations Participating in the Paid Parking Pilot Program

Station	Rail Line	Transit User Daily Rate	Transit User Monthly Rate	Carpool Monthly Rate	# of Parking Spaces
Expo/Bundy	Expo	\$2	\$39	\$25	250
Expo/Sepulveda	Expo	\$2	\$39	\$25	260
17th St/SMC	Expo	\$2	\$39	\$25	67
La Cienega/Jefferson	Expo	\$2	\$39	\$25	485
APU/Citrus	Gold	\$3	\$39	\$25	200
Irwindale	Gold	\$3	\$39	\$25	350
Atlantic	Gold	\$2	\$29	\$20	284
Universal	Red	\$3	\$55	\$45	546
North Hollywood	Red	\$3	\$59	\$45	1,310
*Norwalk	Green	\$2	\$39	\$25	1,720
*Lakewood	Green	\$2	\$39	\$25	299
*Aviation	Green	\$3	\$39	\$25	390
*El Monte	Green	\$2	\$39	\$25	1,665
Total					7,826
* Optional Locations					
Per the March Board Meeting Motion there is no non-transit rider daily rate.					

Source: Metro

The locations above were selected based on capacity, terminus locations, utilization and recent facility assessment findings. Atlantic, Universal, and North Hollywood, as well as the optional locations of Norwalk, Lakewood, and Aviation, were all identified in this report for evaluation and continued monitoring (see Finding 1); the Paid Parking Pilot Program could assist with demand management and enforcement issues at all stations.

Metro has also stated the program will help fight the perception of non-drivers who believe they are subsidizing parking. Currently parking operations are maintained through Metro’s annual budget without sufficient revenue to recover costs. Metro estimates the pilot program will generate about \$400,000 in net revenue in FY 2016-17. Staff is expected to monitor implementation and update Metro’s Board in September 2016.

Parking Guidance System

Finally, Metro Parking Management recently issued a Request for Proposal seeking a supplier for the development and installation of a parking guidance system at 83 of Metro’s parking facilities. The guidance system will allow Metro to maintain a real-time inventory of parking utilization at all Metro facilities, provide enhanced digital signage at facilities, and enable the dissemination of parking availability information to customers via mobile phone applications or the web.

Metro states the guidance system will help patrons minimize their parking search and travel time and also reduce congestion. The parking guidance system could also help resolve issues identified above with respect to the parking supply and demand mismatches of high-demand and low-demand facilities located directly adjacent to each other. Overall, the guidance system will likely result in improved signage, improved data, and improved public information and communications.

The contract is expected to begin July 1, 2016, with the full system in place by June 30, 2019.

Regarding the implementation of its ongoing and new initiatives, we recommend that Metro:

- 4.1 Reevaluate how parking need was estimated at Expo/Crenshaw to determine whether the shared parking lease should be modified or renegotiated, and whether funds could be better directed towards parking agreements at other appropriate high-ridership or high-utilization stations.
- 4.2 Evaluate whether Del Amo, Lakewood, Universal City, and Aviation are good candidates for re-striping, and if so, consider ways to take action under agreement with Caltrans.
- 4.3 Evaluate the benefit of including seven additional stations in the Preferred Parking Program, including Culver City, Aviation/LAX, Lakewood, Long Beach, Willowbrook, Harbor Freeway and Union. Explore ownership transfer opportunities or alternative management arrangements of Norwalk, Lakewood and Aviation/LAX lots, which are currently owned by Caltrans.
- 4.4 Ensure that the Parking Management division is included in the EIR process, particularly as Metro moves forward with the master planning process for parking. For example, planners who are involved on the front-end of parking planning at stations should incorporate the future ridership and parking demand model, to ensure consistency and act as a check on internal models currently used for estimation purposes.

f. Finding 5 – Impact of demographic, social and technological changes on future parking needs

There are a number of demographic, social, and technological trends emerging that could impact future parking needs. The impacts of these trends on commuting, travel patterns, and vehicle ownership are still developing, however, and not yet well-understood in the academic literature. The likely impacts on future parking needs are therefore still unclear at this time.

Below we present a few developments and trends worth watching.

Ride-Sharing Technologies

Ride-sharing technologies such as Uber and Lyft provide on-demand access to vehicles through smart-phone applications at relatively modest prices. Many commentators have suggested that ride-sharing is an ideal solution to the “First-Last Mile” transit challenge of getting riders to and from destinations that aren’t within easy walking distance of a station. Ride-sharing could provide transit users with the convenience, range, and speed of automobile travel while potentially lessening the need to provide parking on-site at Metro stations.

According to a recent report in the Los Angeles Times, “Metro is negotiating an agreement with Lyft aimed at learning more about ride-share trips that begin and end at key Metro stations.” The agreement could shed light on how many, where, and when transit users take advantage of ride-sharing services in order to access transit. Lyft states that transit stops are “passengers’ most common drop-off location” and that the most requested transit destination in Los Angeles is Union Station.

Metro should continue exploring relationships with ride-sharing companies upon the expiration of its agreement with Lyft, and evaluate whether more comprehensive data-sharing and institutional partnerships might be appropriate.

If Metro determines upon further study that ride-sharing services are facilitating transit travel for an increasing or significant share of its riders, the agency may need to evaluate whether relevant stations are optimized to handle the increase in pick-up and drop-off activity. Stations might need to be reconfigured or redesigned to facilitate more efficient transfers and limit congestion impacts upon surrounding communities, for example.

Ride-sharing services could also lessen the demand for vehicle ownership, although there is not sufficient evidence to establish whether this is happening yet.

Trends in Vehicle Ownership

As seen in the Table below, the number of people and the number of vehicles in Los Angeles County have both grown from 2000 to 2014. Following an increase from 2000 to 2004, the number of automobiles per person and total vehicles per person remained relatively constant for the next 10 years. There is no evidence in this data that there are relatively fewer cars on the road, or that there is a trend towards fewer vehicles per person in the County.

Table27: Vehicles Per Person in Los Angeles County, 2000-2014

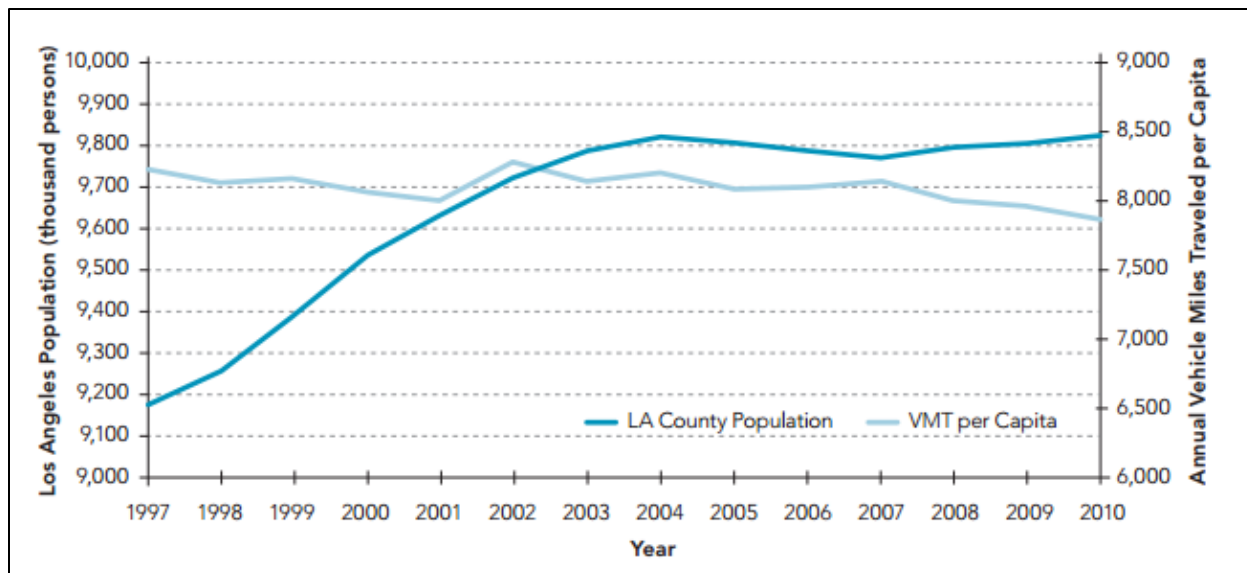
Year	Los Angeles County Population	Autos	Other Vehicles	Total Vehicles	Autos Per Person	Total Vehicles Per Person
2000	9,543,000	5,134,168	1,385,966	6,520,134	0.54	0.68
2001	9,635,000	5,296,141	1,403,585	6,699,726	0.55	0.70
2002	9,718,000	5,529,023	1,480,822	7,009,845	0.57	0.72
2003	9,777,000	5,498,554	1,506,468	7,005,022	0.56	0.72
2004	9,808,000	5,881,156	1,633,087	7,514,243	0.60	0.77
2005	9,804,000	5,850,140	1,664,776	7,514,916	0.60	0.77
2006	9,761,000	5,917,189	1,672,054	7,589,243	0.61	0.78
2007	9,735,000	5,933,335	1,653,447	7,586,782	0.61	0.78
2008	9,779,000	5,859,407	1,639,315	7,498,722	0.60	0.77
2009	9,848,000	5,785,091	1,616,459	7,401,550	0.59	0.75
2010	9,826,000	5,810,035	1,600,590	7,410,625	0.59	0.75
2011	9,885,000	5,805,760	1,554,813	7,360,573	0.59	0.74
2012	9,952,000	5,904,847	1,517,407	7,422,254	0.59	0.75
2013	10,020,000	6,079,057	1,530,460	7,609,517	0.61	0.76
2014	10,117,000	6,197,573	1,521,787	7,719,360	0.61	0.76

Source: Los Angeles County DMV; American Community Survey

The implications for transit and parking at Metro stations, however, are less clear. On the one hand, this might indicate that there are just as many cars as ever in the County, and that transit agencies will have to continue accommodating vehicles via on-site parking. On the other hand, as previously shown in Tables 5 and 18, most transit users do not drive to stations and a significant portion of Metro riders do not have access to an automobile. In addition, vehicle ownership in general makes individuals less likely to use transit at all.

There is also evidence that Vehicle-Miles-Travelled (VMT) per capita is decreasing, as shown in the Exhibit below. This would suggest that there has been a trend towards people driving less, even if the number of vehicles per capita is remaining relatively constant.

Exhibit 7: Population and Vehicle Miles Traveled in Los Angeles County, 2000-2014



Source: Metro

Again, the implications for transit and parking at Metro stations are not clear and the reasons behind the overall VMT reduction in the County are not well understood.

Travel Changes Among Young Adults

A recent dissertation¹² from the University of California Los Angeles established that “[y]oung people in the 2000s traveled fewer miles, owned fewer vehicles, and were less likely to hold a driver’s license than young people in the 1990s.” The article examined whether travel behaviors had fundamentally changed, including increased use of non-automobile travel or the increased use of communication technologies.

The paper found no evidence that young people’s preferences for “car-less” lifestyles were driving the changes in travel behavior. Instead, the paper found the economic constraints, deferred marriages and child-bearing, and racial/ethnic compositional changes were the prime explanations of travel behavior over the period examined.

This would suggest that these travel changes might be reversed once economic conditions have sufficiently improved or family formation trends increase. As with the discussion above, the implications for transit and parking at Metro stations are not clear.

Many of these factors have been included in Metro’s Supportive Transit Parking Program Master Plan Study, and Metro should incorporate all findings with regard to the impact of technological and demographic trends on parking into its future planning. To understand the impact of demographic and technological changes on parking needs, we recommend that Metro:

¹² “Stalled on the Road to Adulthood? Analyzing the Nature of Recent Travel Changes for Young Adults in America, 1995 to 2009”. Kelcie Ralph, University of California Los Angeles. 2015.

- 5.1 Continue exploring relationships with ride-sharing companies upon the expiration of its agreement with Lyft, and evaluate whether more comprehensive data-sharing and institutional partnerships might be appropriate.
- 5.2 Incorporate all findings from the Supportive Transit Parking Program Master Plan Study with regard to the impact of technological and demographic trends on parking into its future planning.



POLITICS 101:

OBSERVATIONS ON LOS ANGELES

COUNTY GOVERNANCE

POLITICS 101: OBSERVATIONS ON LOS ANGELES COUNTY GOVERNANCE

“No man undertakes a trade he has not learned, even the meanest;
yet everyone thinks himself sufficiently qualified for the hardest of all trades, that of
government.”

Socrates

I. EXECUTIVE SUMMARY

In the past nine years, the Los Angeles County Board of Supervisors (BOS) has changed the county’s governance structure twice: in 2007 it provided a strong appointed Chief Executive Officer (CEO), and, in 2015 repealed its 2007 action, reverting to a decentralized/weak CEO model. The 2015-2016 Los Angeles County Civil Grand Jury (CGJ) was interested in determining the impact of these actions and conducted interviews with current and past officials at all levels.

The Los Angeles County Charter does not provide for an independent elected-at-large executive accountable to county residents for the functioning of the county. Prior to May 2007 the county operating structure was decentralized with appointed department heads reporting directly to BOS.¹ In May 2007 the county operating structure was centralized through the creation of an appointed chief executive to be a single point of contact for department heads and accountable for the implementation and management of county programs.² In July 2015 the county operating structure reverted to the previous decentralized structure and department heads again report directly to BOS.³

The CGJ found that while it may be premature to determine the long-term impact of the change in governance structure, the structure’s short-term impact is to displace long-term goals.

The CGJ found that, under the present system enacted in July 2015, BOS intended that the direct communication between it and county departments would lead to more efficient conduct of public business. BOS motions proliferate, however, and departments find it difficult to adjust to BOS’ constantly changing priorities.

The CGJ found that the CEO no longer tempers the heat of BOS - say no - or to advocate on behalf of departments.

The CGJ found that there is no structured form of communication between BOS and department heads, nor does BOS meet with all departments on a regular basis.

¹ Chief Administrative Office, Los Angeles County Administrative Governance Transition Report, May, 2007, p. 10.

² Chief Administrative Office, *op. cit.*, pp. 5-6.

³ Chief Executive Office, County Governance, July 7, 2015, p. 1.

The CGJ found that the county lacks an updated strategic plan as well as a meaningful structure for measuring management performance.

Nearly all of the next most populous counties in the country elect a county chief executive. Two previous Grand Juries made recommendations that the county adopt an elected chief executive officer and increase the number of supervisors. This CGJ finds both concepts need to be revisited and provides appropriate recommendations for the 2020 county-wide election.

II. BACKGROUND

Reorganization of the structure of county government is not a topic that readily engages most citizens. Their concerns are more basic. They care only that county services are provided well. The CGJ looked at the recent change in the structure of the governance of Los Angeles County from the perspective of citizens concerned with the efficient application of public money to county responsibilities.

A. May 2007 Centralization of County Governance Structure

In 2007, BOS adopted a strong CEO model replacing a decentralized organization structure in which 34 appointed Department Heads reported independently to BOS.

The “hallmark principles” of the strong CEO model included:⁴

- *“Benefits to County residents:* With the day-to-day operation of the County vested in the CEO, BOS was able to partner with residents and communities in focusing on studying and developing strategies to address the complex social, economic, and environmental issues that impact the quality of life in Los Angeles County. The CEO’s accountability for implementing BOS policy direction to improve outcomes for residents through service and resource integration and enhanced service accessibility was to result in significant benefit for County residents.”
- *“Strengthen the Board’s policy role:* BOS’s role was strengthened through the creation of the CEO as a single point of contact accountable for implementation and management of Board direction.”
- *“Focus on outcomes:* The County would systematically focus on the needs of County customers – children, families, senior citizens, other residents and the communities they live in – and on improving outcomes for customers.”
- *“Service integration:* Focus on the needs of County customers would be implemented through integration of County services, the optimal use and/or blending of resources, and continuously working to improve the County’s organization and its operating processes.”

The 2007 ordinance adopting the strong CEO model included a non-intrusion clause which reinforced BOS as exclusively vested with the responsibility for county policy, regulations, and organizational directions. Individual BOS members and their staff continued to seek information and assistance from county department heads and employees.

⁴ Chief Administrative Office, Los Angeles County Administrative Governance Transition Report, May 2007, pp.5-6.

B. July 2015 County Governance Structure Reversion

On July 7, 2015, BOS adopted a revised county governance structure aiming to improve the (a) effectiveness of service delivery, (b) efficient utilization of limited resources, and (c) timely implementation of Board policy directives. The new governance structure was further intended to balance “flexibility, accountability, transparency and efficiency.”⁵

The justifications provided for this action included:⁶

- “The new structure will provide for more Board interaction with departments, more effective decision making, and additional opportunities for policy discussions.”
- “Ad hoc initiatives, housed within the CEO will provide for greater energy, focus, and interdepartmental collaboration on Board initiatives, with the flexibility to quickly adjust to new priorities.”
- “The CEO will evaluate the placement and composition of CEO and County functions to provide for efficient operations and effective and innovative constituent services.”

III. METHODS AND PROCEDURES

The CGJ researched and reviewed governance and best practices sources.

Interviews were conducted with current and past county officials at all levels.

IV. FINDINGS

A. Checks and Balances:

The CGJ found that the Los Angeles County Charter does not provide for an executive accountable to county residents for the functioning of the county.

The underlying governmental structure of the United States is a separation of powers between the legislative, executive and judicial branches, known as checks and balances. No branch of our government can gain absolute power or abuse its powers with impunity.

⁵ Chief Executive Office, County Governance, July 7, 2015, p. 1.

⁶ *Ibid.*, p. 2.

- The legislative branch proposes and enacts the laws, adopts the budget, and may overturn an executive veto. Each representative represents but a small portion of the nation, but collectively Members of Congress can be seen as reflecting the popular will.
- The executive branch is intentionally structured as the guardian of the national interest: elected at large, commander in chief of the military, responsible for proposing the annual budget, wielding the veto, and managing the national bureaucracy.
- The judicial branch declares the law of the land in accord with the Constitution, and in response to legislative and executive actions. Federal judges must be confirmed by the Senate and, like all elected federal officials, may be impeached.

Although not perfect, this tri-partite arrangement is ingrained in the national psyche as a model for all government in the United States – except in California at the county level, where there is no separation of the executive and legislative functions.⁷

Section XI of the State Constitution and Article II of the Charter of the County of Los Angeles provide for a five-member supervisory structure. County voters can take advantage of the discretion given them in the County Charter by making changes in the county’s governing board, officers, and employees such as:⁸

- increasing the number of county supervisors,
- electing county supervisors at-large,
- appointing fewer county officers and specifying their duties,
- contracting out for any service (subject to certain state contracting rules), and
- specifying a process to fill a supervisor vacancy.

Our County Charter does not provide for an elected executive function in spite of the enormity of our population or the budget and bureaucracy providing services to it. Los Angeles County is a \$27.1 billion enterprise,⁹ with 37 departments and 108,000 employees, representing a population of 10.1 million (in fact, Los Angeles County, standing alone, would be the eighth most populous state in the country),¹⁰ governed by a five member board. The governance structure in Los Angeles County is the same as that in every other California county except for San Francisco, which has an elected executive. Amendments to the State Constitution and the County Charter have not addressed this basic governance structure, which reflects the State’s agrarian and early 20th century reform history.

⁷ “Unlike the separation of powers that characterizes the federal and state governments, the Board of Supervisors is both the legislative and the executive authority of the county (except San Francisco City and County). It also has quasi-judicial authorities.” California State Association of Counties, County Government in California: An Introduction to California Counties, http://www.counties.org/sites/main/files/file-attachments/tab_2_-_county_government_in_california.pdf

⁸ Ibid.

⁹ 2015-2016 Los Angeles County Adopted Budget.

¹⁰ U.S. Census Bureau, 2010 Census Population Data. <http://www.census.gov/popfinder/>

In the opinion of the CGJ, an organization on this scale cannot be effectively governed and managed by a board or committee. It is not unreasonable to wonder if BOS has the time not only to govern, but also to manage the county departments.

B. County Governance Structure Prior to May 2007:

The CGJ found that prior to May 2007 the county operating structure was decentralized with 34 appointed department heads reporting directly to BOS.

BOS has made several attempts to find an optimal governance structure to meet the needs and aspirations of the electorate. Prior to May 2007, the county's operating structure was characterized as a "... decentralized structure in which 34 appointed department heads report independently to the Board."¹¹ A 1995 article on the county's government structure noted:

- "The five-member board doesn't work. Responsibilities for setting policy and actual administration of the county are so intertwined that there is no discipline in the system. Additionally, there is a confusion of priorities among jurisdictions within the county, which leads to conflict and unnecessary waste."¹²
- "As a five-member Board, the Board of Supervisors is too small to allow for shifting coalitions, too big to allow any single member to emerge as a leader because no one is willing to allow his or her colleague to step out in front. Nor are there enough members to seriously represent the county's diversity, whether ethnic or geographic."¹³
- ". . . there is no constituency for saying 'no.' And there is little courage to stand up for the broader picture beyond one's district."¹⁴

C. May 2007 Centralization of the County Governance Structure:

The CGJ found that in May 2007 the county operating structure was centralized through the creation of an appointed chief executive to be a single point of contact for department heads and accountable for the implementation and management of county programs.

The following are observations from current and past county officials:

Positive Observations

- *"Fan of previous structure where deputy CEO attempted to integrate all BOS views and department views."*

¹¹ Chief Administrative Office, Los Angeles County Administrative Governance Transition Report, May 2007, p. 10.

¹² Kayden, Xandra, "Behind the County Health Woes: An Outmoded Government: A last minute federal rescue should not lessen the need to reinvent a deeply flawed structure of governance." Los Angeles Times, September 24, 1995.

¹³ http://articles.latimes.com/1995-09-24/opinion/op-49458_1_l-a-county

¹⁴ Ibid.

- *“The CEO acted as a filter to bounce ideas off and finesse proposals before transmittal to BOS.”*

The May 2007 governance structure addressed those issues by “... the creation of the CEO as a single point of contact accountable for implementation and management of Board direction.”¹⁵ Specifically, the CEO would be “... the one person in the governing structure who would consider and propose policies and resource allocations with all of the people in the county in mind – especially the underserved and marginalized residents.”¹⁶ In effect, the action provided for a “checks and balances” on BOS by separating governance and management (executive) functions in the operation of the county. The CEO filled the executive function, handling the county’s day-to-day operations and acting as a filter by dealing with “every-day” and “ordinary” issues.

Significantly the CEO was expected to wield independent executive power, even providing push-back to BOS where appropriate, while serving at BOS’s pleasure in an appointed position.¹⁷ Given this conflicting dual nature of the CEO’s position, it can be no surprise that the CEO developed into and was seen as an independent power center, the “sixth, unelected Supervisor.”¹⁸ The CEO’s power rested on intimate knowledge of the County’s day-to-day operations and ability to influence the good will of at least three of the Supervisors. The CGJ believes that such inherent structural conflict between BOS and the CEO resulted in the July 2015 action.

D. Return to Decentralized Pre-2007 Governance Structure:

The CGJ found that in July 2015 the county operating structure reverted to the decentralized structure in which department heads report directly to the board. Additionally, the CGJ found that BOS intended the direct communication between it and county departments to more efficiently further the conduct of the public’s business.

The following are observations from current and past county officials:

Positive Observations

- *“Philosophy was different between CEO and BOS.”*
- *“BOS is not to be minimized.”*
- *“BOS wants increased level of communications.”*
- *“New structure compels policy as a priority and is streamlined.”*
- *“There should be no impediments to process of getting information.”*
- *“A strong commitment to do the public’s business efficiently.”*
- *“BOS wants more input in policy decisions.”*
- *“New focused initiatives (priorities) are staffed across departments – working more together than ever before.”*

¹⁵ Chief Administrative Office, Los Angeles County Administrative Governance Transition Report, May, 2007, pp. 5-6.

¹⁶ Yaroslavsky, Zev, “Reflections on Four Decades in Office,” Bollens-Ries-Hoffenberg Lecture, University of California, Los Angeles, April 7, 2015.

¹⁷ Observations from current and past county officials.

¹⁸ Observations from current and past county officials.

Negative Observations

- *“Structure was seen as cause so just changing CEO was not solution – BOS always had the power.”*
- *“There was a bad relationship between prior CEO and BOS, BOS wants CEO to downsize.”*
- *“There was a conflict with the prior CEO who acted like a sixth supervisor.”*

By changing the CEO’s function back to the pre-May 2007 governance structure, the “new” operating structure again blurs the boundaries between governance and management. In an article on the re-restructuring, the Los Angeles Times noted:

- “The change back to a weaker executive has many wondering whether the supervisors’ new power will result in more streamlined, decisive management or simply create more meddling by the elected officials and politicize the workings of government.”¹⁹
- As Supervisor Mark Ridley-Thomas commented at the Los Angeles Current Affairs Forum in 2015: “Politics 101, ladies and gentlemen, never give away your power.”²⁰

Within the first year of the new governance structure, BOS adopted a series of sweeping actions to address long standing and urgent needs:

- Allocated \$100 million for each of three years, to construct and maintain affordable housing (October 27, 2015);
- Consolidated public health care functions of the Departments of Public Health, Mental Health, and Health Services (January 21, 2016);
- Created the Homeless Initiative to coordinate county strategies to reduce homelessness through an intensive, inclusive planning process (January 21, 2016); and
- Delayed the construction of and reduced the size of the new Men’s Central Jail (June 9, 2015).

E. Impact of Return to Prior Decentralized Governance Structure:

The CGJ found that, under the present system enacted in July 2015, BOS intended that the direct communication between it and county departments would lead to more efficient conduct of public business. BOS motions proliferate

¹⁹ Sewell, Abby, “L.A. County supervisors move to consolidate power by weakening CEO’s job,” *Los Angeles Times*, July 7, 2015. <http://www.latimes.com/local/california/la-me-0708-county-ceo-20150708-story.html>

²⁰ Editorial Board, “New thinking at the L.A. County Board of Supervisors,” *Los Angeles Times*, December 24, 2015. <http://www.latimes.com/opinion/editorials/la-ed-county-supervisors-20151223-story.html>

however, and departments find it difficult to adjust to BOS' constantly changing priorities.

The following observations are from current and past county officials:

Positive Observations

- *“Less interference since deputy CEO is gone.”*
- *“Issues discussed directly with BOS deputies.”*
- *“Department has reorganized to provide flexibility in answering BOS needs.”*

Negative Observations

- *“Lots of motion sickness.”*
- *“More effort involved in responding to BOS motions.”*
- *“Planning and priorities are messed up.”*
- *“Sustainability of management by motion is unknown.”*
- *“BOS determines department priorities – not interested in department concerns, it’s difficult to plan.”*
- *“Need an entity to coordinate information going to BOS.”*
- *“Reorganization changed nothing, but changes in BOS members and removal of deputy CEOs increased business – now everything is hot.”*
- *“No impact except more direct instructions (via motions) by BOS.”*
- *“Deputy CEO used to absorb BOS demands on department heads, new CEO is not doing that.”*
- *“Deputy CEO (DCEO) did not stop BOS from contacting department heads directly.”*
- *“DCEO used to chair cluster meetings, no longer; CEO finance person just sits in.”*

BOS has addressed pressing issues by establishing task forces composed of county employees taken from various departments involved in various aspects of the issues addressed. Relying on the cross-department knowledge and experience of its members, each task force is intended to address pressing issues with a global perspective. This action breaks down the self-imposed barriers of intra-department prerogatives and concerns (also known as silo-ization) with an inter-department viewpoint to address issues of common interest.

Commendable as this action is, it has its downside – personnel taken from their regular assignments to address task force issues, are not replaced, leaving vacuums, staffing shortages and the possible inability of those departments to meet their mandated budget and program goals. The enactment of priority motions (also known as “motion sickness” or “management by motion”) without proper consideration of the impact on short-term policy decisions, sacrifices long-term goals and needs. The short-term interests change with each new priority issue.²¹

BOS direct decision making approach is not limited at the management level, but in some cases reaches down to the lowest levels of county operations. Instead of letting

²¹ Observations from current and past county officials.

managers manage, BOS dictates departmental priorities and goals, and is not interested in a department's concerns. Departments are forced to work on the priority issues to the exclusion of their regular mandated work.²² This makes it very difficult for a department to do any meaningful future planning. It stifles management initiative and necessary pushback where warranted (e.g., budget, program, legal, or other mandated considerations), and fosters a climate of insecurity – officials never know when their job is on the line (also known as “living Tuesday to Tuesday”).²³

The CGJ is very concerned about the future of the county's administrators – how will the county attract and keep quality people when their every decision may be second guessed? BOS' discretionary authority, its opaque decision making processes, and the degree to which it is insulated from direct political controls, often deflects the brunt of public discontent and accusations of waste and mismanagement of scarce resources. Direct management action by BOS in the county's operations should mean that BOS will be directly responsible for the results. Instead, department heads suffer the consequences.

The CGJ is concerned that although the impact of term limits has not been felt yet, each Supervisor's emphasis on parochial interests will only increase as their term in office is limited.

As noted in an editorial in the Los Angeles Times:

“... county government is not a game. It's the chief provider of human services and vital infrastructure to a region of 10 million people. Who's in charge? With the five-member committee that is the Board of Supervisors, who knows? The members make up a sort of legislature with no executive, yet at the same time they are a kind of five-headed executive with no legislative oversight. They are a family of squabbling brothers and sisters trying to manage the house in the absence of their parents, each sibling sniping about the others while forming, breaking and re-forming alliances in order to move their various agendas. They are a comically constituted group with deadly serious business to perform for their constituents.”²⁴

F. Management Issues:

The CGJ found there is no structured form of communication between BOS and department heads, including lack of a meaningful structure for measuring management performance. BOS does not meet with all departments on a regular basis. Further, the county lacks an updated strategic plan.

The following are observations from current and past county officials:

Positive Observations

²² Ibid.

²³ Ibid.

²⁴ Editorial Board, “Grading L.A. County,” Los Angeles Times, March 12, 2016. <http://graphics.latimes.com/grading-la-county-2016/>

Negative Observations

- *“Before reorganization, departments only had to convince the CEO; now, they need to convince three out of five BOS members and the CEO is no longer involved.”*
- *“No structured communication between BOS and management, departments with departments.”*
- *“BOS needs to meet with all departments on a regular basis, visit departments at least once per year.”*
- *“No updated long-term strategic plan.”*
- *“No meaningful structure for measuring departments’ and their management performance.”*
- *“No clear chain of command between BOS, CEO, and department heads with clearly defined responsibilities.”*

One stated reason for BOS’s 2015 reversion is the intent to ensure direct communication between it and county departments, which in turn leads to more efficient conduct of public business.

The CGJ found that although the “filtering” layer of Deputy CEO’s (DCEO) was eliminated, departments now report to Supervisors’ deputies.²⁵ Instead of one reporting site, departments now have to report to five. There appears to be no communication clearing house to coordinate information requests, schedule structured regular communication meetings among the Supervisors’ deputies, and/or schedule communications meetings with and among department heads.

The CGJ found that BOS must develop an up-to-date county-wide long-term strategic plan, and allow feedback, refinement and updates by department heads. Departments should develop their plans in support of the strategic plan, including levels of service and outcomes from BOS to department heads, and department heads to “street level” operations.

G. Role of CEO:

The CGJ found the CEO no longer tempers the heat of BOS, “say no,” or to advocate on behalf of departments.

The following are observations from current and past county officials:

Positive Observations

- *“While seen as beneficial by some departments, BOS felt isolated from department heads and wanted first-hand information.”*
- *“BOS felt CEO was making decisions without them, believed they had to go through CEO before talking to department heads.”*

²⁵ Observations from current and past county officials.

As noted by former Los Angeles County Supervisor Zev Yaroslavsky, "...our current system puts a premium either on parochial or consensus based decision making."²⁶ The CGJ is concerned that without an executive function to oversee the day-to-day operations of the county, and ensure the long-term fiscal health and viability of its programmatic needs and goals, there is a real possibility that such concerns will be overlooked or forgotten.

A major impetus of the May 2007 governance structure was the impending retirement of then Chief Administrative Officer David E. Janssen, who expressed concern that no replacement could be found for him while the county continued to operate without a strong CEO.²⁷

The current governance structure eviscerates the recent function of the CEO by limiting its operations to budget and labor relations. BOS did not test whether Janssen's fears were warranted by conducting an executive search. It determined to strip the appointed CEO of independence and authority, and quickly appointed its own Executive Officer to fill the diminished post.²⁸

On March 29, 2016, BOS took further action that limited the CEO's function to its "core mission" and transferred non-"core mission" functions to other departments (e.g., photo and graphics, health and wellness, Work Place Programs, Employee Assistance Program, Occupational Health, Leave Management, and Real Estate).²⁹

The CGJ is concerned that the new role of the CEO appears to be one of insisting on form over substance. Responding to a reporter's question as to why no additional resources had been provided for the Department of the Medical Examiner-Coroner (DMEC) in the 2016-2017 County Budget, the CEO stated: "...the request was not granted because the department had not submitted required paperwork documenting its justification for the added positions."³⁰

H. Case Study:

The CGJ found that problems in the DMEC were due in part to a lack of communication. DMEC's staffing and funding concerns were not heard by the CEO, which, in turn, asked why those concerns had not been transmitted. DMEC's responses to a Corrective Action Plan were not accepted by the CEO prompting the Chief Medical Examiner-Coroner (CMEC) to resign.

BOS challenges in attempting to act in its executive function, are illustrated in the recent resignation of the CMEC, as noted in CGJ's April 21, 2016, interim report *Who Cares for the Dead When The Dead Don't Vote?*

²⁶ Yaroslavsky, Zev, "Reflections on Four Decades in Elected Office," Bollens-Ries-Hoffenberg Lecture, UCLA, April 7, 2015.

²⁷ Observations from current or past county officials.

²⁸ Sewell, Abby, "L.A. County Supervisors vote to make interim chief executive permanent," [Los Angeles Times](http://www.latimes.com/local/lanow/la-me-ln-county-chief-executive-20151006-story.html), October 6, 2015. <http://www.latimes.com/local/lanow/la-me-ln-county-chief-executive-20151006-story.html>

²⁹ Chief Executive Officer, "Chief Executive Office Organization Redesign," March 29, 2016, pp. 1-2.

³⁰ Sewell, Abby. "\$28 billion L.A. County budget proposal aims to address homelessness, improve jails," [Los Angeles Times](http://www.latimes.com/local/lanow/la-me-ln-la-county-budget-20160411-story.html), April 11, 2016. <http://www.latimes.com/local/lanow/la-me-ln-la-county-budget-20160411-story.html>

DMEC's problems can be attributed to years of insufficient staffing levels, due to a number of factors:

- Too few budgeted positions;
- Not enough available qualified candidates to fill the needs of the department (e.g., forensic pathologists);
- Toxicology reports are six to seven months behind schedule;
- Salary constraints that inhibit recruitment and retention of qualified professionals;
- BOS requests for immediate processing of selected cases, thereby negatively impacting DMEC's internal prioritization of investigations; and
- The sheer geographic and population size of the county and its resultant workload.

Insufficient staffing has led to the following results:

- Worker fatigue and burnout;
- Extended time required to complete autopsy reports;
- Suspension of a number of operations, including gunshot residue, scanning electron microscopy, and Law Enforcement/Officer involved shooting case review;
- No cushion to absorb extra work generated by catastrophes and extended leaves of absence (e.g., maternity or bereavement leave, illness);
- Possible loss of accreditation from The National Association of Medical Examiners (NAME), Institute of Medical Quality/California Medical Association (IMQ/CMA), and the American Society of Crime Laboratory Directors/Laboratory Accreditation Board (ACSLD/LAB). The loss of accreditation may have significant impact in terms of challenging the credibility and validity of the Medical Examiner-Coroner findings in court.

Repeated requests by the CMEC to BOS for appropriate funding for DMEC to meet its statutorily-mandated goals went unheeded. During the 2016-2017 Budget process, BOS and the CEO provided a "current level budget" and imposed a "Corrective Action Plan" which in great detail set out steps to address the various issues facing DMEC, and requested responses from the Medical Examiner-Coroner. In follow-up meetings with the CEO and BOS, DMEC's responses to the Corrective Action Plan were refused for consideration. Since he did not receive adequate resources to address DMEC's significant needs, the CMEC submitted his resignation on March 11, 2016.

I. Independent County Executive Function:

The CGJ found that nearly all of the next most populous counties in the country elect a county chief executive. The counties, listed by their relative sizes per population, are:

- (2) Cook County, IL (pop. 5.2 million),***
- (3) Harris County, TX (pop. 4.4 million),***
- (7) Miami-Dade County, FL (pop. 2.7 million),***
- (8) Kings County, NY (pop. 2.6 million),***
- (9) Dallas County, TX (pop. 2.5 million),***
- (11) Queens County, NY (pop. 2.3 million),***
- (13) King County, WA (pop. 2.1 million), and***
- (15) Tarrant County, TX (pop. 2.0 million).***

The exceptions to the elected county executive trend are the following large counties, most of which are in California: (4) Maricopa County, AZ (pop. 4.1 million), (5) San Diego (pop. 3.3 million), (6) Orange (pop. 3.1 million), (10) Riverside (pop. 2.3 million), (12) San Bernardino (pop. 2.1 million), and (14) Clark County, NV (pop. 2.0 million).

Prior CGJ reports (1972-1973; 1996-1997) have recommended the creation of a strong independent executive function. Their recommendations are supported by organizations such as the Los Angeles County Bar Association, the League of Women Voters, and the Los Angeles County Economy and Efficiency Committee. The 1972-1973 CGJ report also recommended that BOS membership be expanded so that each Supervisor would represent only one million residents.

This CGJ agrees with that recommendation. Given that the County's current 10.1 million population is growing, BOS membership should therefore increase to 10 or, if an odd number is required 11. The cost of additional Supervisors should be a zero sum game by taking the current budgeted amount for the Supervisors and their staff, and dividing that by 11. Currently each Supervisor's office budget is \$3.4 million or \$17 million for all five.³¹

This CGJ believes that the time has come to (a) revisit the creation of a strong independent elected chief executive function, and (b) increase BOS membership to a minimum of 11 Supervisors.

³¹ Executive Office of the Board of Supervisors.

J. County CEO Response to Prior CGJ Recommendations:

The CGJ found that two previous Grand Juries made recommendations that the county adopt an elected chief executive.

The County's CEO's response to the CGJ's 1996-97 recommendation was that voters defeated the proposals:

- In 1992, by a margin of 57 to 43 percent.
- In 1978, by a margin of 53 to 47 percent.

The response also indicated that adding such a proposal to the ballot would cost in excess of \$1 million.

In both elections, opponents of the issue noted that it would just add another layer of bureaucracy at additional costs to the taxpayers. The question that needs to be asked is whether the public is served by the current structure of five czars controlling the fate of the county without any checks and balances. Adding an independent elected chief executive (at an estimated four million dollar cost, approximately 0.015%) in a \$27.1 billion budget to provide the necessary checks and balances seems a small price to pay.

V. RECOMMENDATIONS

- 11.1 That Los Angeles County, within six months, create a structured communication system between the Board of Supervisors and all department heads, and across departments, between department heads, through a centralized clearing house, so that information is transmitted clearly and efficiently.
- 11.2 That Los Angeles County ensures that the Board of Supervisors tour each county department and meet management there, at least once per year.
- 11.3 That Los Angeles County, within six months, establish a published county chain-of-command with clearly defined responsibilities.
- 11.4 That Los Angeles County, within one year, develop and implement a long-term strategic plan for the county and for each county department.
- 11.5 That Los Angeles County, within one year, establish for each department, levels of service with measurable goals and outcomes, allowing for feedback, refinements and updates by department management.
- 11.6 That Los Angeles County approve and place before the electorate for the 2020 election an amendment to the County Charter that provides for a County Chief

Executive, elected on a county-wide basis, with the powers and duties substantially similar to those provided in the May 2007 county governance structure.

- 11.7 That Los Angeles County approve and place before the electorate for the 2020 election an amendment to the County Charter to provide six additional supervisory districts in Los Angeles County, created based on equal proportions of the county's population, within the current budget, as adjusted for inflation. Such amendment should include provision for adding supervisory districts as the populations grows.
- 11.8 Los Angeles County should establish a Citizens' Ad Hoc Committee on government reform and report back to the Board of Supervisors no later than April 1, 2017, with appropriate language for the amendments recommended in 11.6 and 11.7.
- 11.9 Los Angeles County should, prior to the 2020 county-wide election, support, explain, and otherwise strongly back the amendments recommended in 11.6 and 11.7, emphasizing the benefits of each to county residents and to the careful furtherance of county government in the public interest.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses to recommendations shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accordance with Penal Code Sections 933.05(a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Los Angeles County Board of Supervisors: 11.1, 11.2, 11.3, 11.4, 11.5, 11.6, 11.7, 11.8, 11.9

VII. ACRONYMS

BOS	Board of Supervisors
CEO	Chief Executive Officer
CMEC	Chief Medical Examiner-Coroner
DCEO	Deputy Chief Executive Officer
CGJ	Civil Grand Jury
DMEC	Department of the Medical Examiner-Coroner

VIII. COMMITTEE MEMBERS

Bart Benjamins	Co-Chair
Bruce A. Berke	Co-Chair
Judy Goossen Davis	
Victor H. Lesley	
Molly Milligan	
Sandy A. Orton	
Arun Sharan	
Bob Villacarlos	

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**READY OR NOT:
ADULTHOOD IS NOW**

READY OR NOT: ADULTHOOD IS NOW

I. EXECUTIVE SUMMARY

“No one expects adulthood to occur overnight, but that is exactly what happens to youth exiting the foster care system. To a youth in foster care, reaching the age of maturity, typically set by states at age eighteen means losing everything.”¹ In Los Angeles County the Department of Children and Family Services (DCFS) has over 28,000 youth under its supervision.² Over 25% of these children reach majority status each year. The statistics concerning the outcomes of Transitional Age Youth (TAY) in California are dismal.

*“70% of all California inmates have spent time in the foster care system.
50% of all female foster children will become pregnant by age 19.
36% will be homeless after 18 months of emancipation.”*³

There is a disconnect between service providers and Transitional Age Youth that has doomed these children to a life of poverty and homelessness. DCFS attempted to address several of the issues facing these children. DCFS has programs for housing, education, transportation and health services, but they go unused for a variety of reasons.

The TAY youth tend to leave the system without a clear plan for the future. Many of these youth simply don't want anything to do with the system which reminds them of their foster care history.

It is important that we as guardians of these children address this disconnect. The stakeholders, such as DCFS and the Department of Mental Health (DMH), should enlist social media to make TAY youth aware of all the available resources at their disposal.

The County of Los Angeles and DCFS should develop and maintain a mobile app. To ensure that individuals have easy access to a comprehensive directory of foster-related services, the 2015-2016 Los Angeles County Civil Grand Jury (CGJ) is proposing the development of a mobile-friendly website. This site will automatically change its appearance depending upon whether a visitor is using a smartphone or a computer. The website will display a collection of foster-related services. Each listing will provide a complete set of necessary information—name of the service, location, contact information and services provided. The listings can be sorted, filtered and searched using a variety of different techniques. Visitors will be able to view resources by type (i.e. transportation resources). Visitors will also be able to enter their zip code and the

¹ Atkinson, Melinda, “Aging Out of Foster Care: Towards a Universal Safety Net,” *Harvard Civil Rights – Civil Liberties Law Review*, (Vol. 43, Winter 2008), p. 183. http://www.law.harvard.edu/students/orgs/crcl/vol43_1/183-212.pdf

² Alliance for Children's Rights, kid-alliance.org/facts-stats

³“Mission Statement” from United Friends of the Children www.unitedfriends.org

website will then display a list of nearby resources. Each listing will contain a collection of appropriate keywords to make searching easy. The website will also contain a collection of web based; password-protected authoring tools so that appropriate individuals can manage all of the listings, create new listings, edit existing listings or remove outdated listings.

II. BACKGROUND

TAY youth present the DCFS and other attendant agencies with a perplexing and complex set of issues. When children are removed from their families or guardians for cause, they become “wards” and “de jure” children of the state. We as a society assume the responsibility for their total well-being. We become responsible for the healthcare, education and morality of these children. In many cases, the county and the state are the only civic safety net keeping these children afloat. This is no small task.

A. Prior CGJ Recommendations

Several preceding CGJs have looked at the plight of TAY youth. The most comprehensive of these reports was written by the 2007-2008 Civil Grand Jury. Their recommendations, reproduced in part IV of this report, need to be looked at again with fresh eyes and renewed vigor. Those recommendations included establishing a partnership with all the agencies that interface with foster care youth. It also pointed DCFS toward additional and better training of foster parents, group home operators and social workers. This CGJ applauds these efforts and adds its voice that these recommendations be fully implemented.

B. Reasons For Disconnect

DCFS has been tasked by the county with helping our foster youth attain the age of maturity with some measure of success. Through research and several interviews with personnel from DCFS, the Los Angeles Unified School District (LAUSD) and the Department of Health Services (DHS), it has become abundantly clear that TAY youth are still underserved or underinformed regarding available benefits. Many of these children who find themselves at the doorstep of adulthood are poorly equipped to take advantage of the resources which are available to them.

DCFS has myriad benefits that go unused. TAY youth’s lives are burdened with the stigma of being a foster child and all the emotional baggage that entails. Many of these children have had experiences that make them mistrust any adults. The April 7, 2016 indictment of four case workers involved in the death of an eight year old foster child in Palmdale is a clear example of the potential neglect that causes mistrust with the custodial system. Plenty of county officials including the Los Angeles County Sheriff’s Department (LASD) had a chance to intervene and save that child.⁴

⁴ Dilworth, M., “Palmdale boy dies after abuse, mother and boyfriend arrested,” [Antelope Valley Times](#), May 5, 2013.

The system has sometimes dropped the ball where TAY youth are concerned. There are many examples and plenty of blame to go around. The LAUSD, before this current school year, had only three dedicated counselors assigned to assist over 7,000 foster children. It now has a dedicated program with 80 counselors.⁵ Hopefully, this will begin to improve academic outcomes. The fact that over 36% of TAY youth become homeless after 18 months of emancipation is an indication that DCFS and other county agencies are failing our children.

III. METHODS AND PROCEDURES

CGJ conducted several interviews with staff personnel from the DCFS, DHS, and Los Angeles County Office of Education (LACOE), LAUSD, and Congresswoman Karen Bass, California's 37th District. The CGJ researched several past CGJ reports concerning the status of TAY youth in Los Angeles County. The CGJ also used information gleaned from newspapers and the internet.

IV. FINDINGS

Often alone and usually adrift is one way of describing foster youth that are aging out of the Los Angeles County foster care system. One day they are seventeen and in a foster home or group home. On their eighteenth birthday "poof," they are expected to perform as adults.

Most are woefully unprepared to navigate the complexities of adulthood. They do not have many (if any) marketable skill sets. They have precious little, if any, life skills such as budgeting, saving, cooking, interview skills and resume writing. By and large, the system and most of the adults in their short lives have failed them. The failure is a result of a multitude of reasons: parents or guardians who have either abused or abandoned them, the broken and overcrowded foster care system, inadequate education, as well as overworked and stressed case workers.

Then, there are the government officials who are reactive and not proactive in the protection of our TAY youth. These politicians respond only when there is a media firestorm around an egregious child injury or death. Politicians who show up a day late and millions of dollars short spouting the same old rhetoric in media sound bites and yet, they bring nothing in the way of solutions to the myriad problems of the broken system.

The example of Los Angeles County's lack of support for these children can be seen by the tepid support it gave to recommendations made by its own Blue Ribbon

⁵ Interview with LAUSD staff and DCFS staff.

Commission. This commission investigated the death of eight year old Gabriel Fernandez in Palmdale. In December 2013, the commission recommended hiring hundreds more social workers, increasing standards of training and constructing a cross agency database so social workers could more adequately check medical and criminal files of foster parents. There was even a discussion about a child welfare Czar with powers to cut across agencies. When it was time for the rubber to meet the road, the **only** recommendation that the Board of Supervisors (BOS) approved was to install a member of law enforcement at local DCFS offices to expedite background searches for emergency placement foster parents.⁶

Since children do not vote and do not make campaign contributions, it appears that they are an afterthought of most politicians. As soon as the media frenzy is over, politicians return to business as usual.

There are, however, ways to improve and enhance the lives of TAY youth. We must begin earlier in their lives introducing them to all of the resources available to them. The team concept should be developed to ensure that the youth do not fall through the cracks. The team should consist of the youth, guardian and/or parent, caseworker, school counselor and psychologist.

The current CGJ would like to reiterate and re-emphasize the 2007-2008 CGJ recommendations and the DCFS 2008 responses to them.

Recommendation 1: A county leadership team under the direction of the Deputy CEO and including DCFS, DPSS, Probation, DMH and LACOE should develop a new strategic plan to refocus TAY programs on integration, efficiency and effectiveness.

“The Department of Children and Family Services (the Department) supports this recommendation and is currently working in partnership with the other agencies. DCSF co-chairs the partnership meeting. In addition, there are community stakeholders that attend the monthly partnership meeting.”

Recommendation 2: The Deputy CEO should develop and implement a regular and systematic process of program review and evaluation for TAY programs which include a goal of periodic streamlining of operations in DCFS, Probation and DMH.

“The Department supports this recommendation and recommends that TAY programs be reviewed and evaluated via a systematic process to be developed by the Deputy CEO in collaboration with DCSF, Probation, and DMH.”

⁶ www.blueribboncommissionla.com

Recommendation 3: DCFS, Probation, DMH and DPSS should develop and implement innovative programs to target high risk families and high risk children for proactive early intervention.

“The Department has committed to targeting high-risk families and high-risk children for early intervention as part of our prevention strategy by devoting Title IV-E funds for the purpose of Alternate Response, Upfront Assessment and Point of Engagement.

Alternated Response targets those families identified by members of the community as being at risk, but who do not meet the criteria for an in-person response by the Department. Rather than not responding to these families, the Department has partnered with Community Based Organizations (CBOs) to refer families for intervention.”

Recommendation 4: DCFS, Probation, and DMH should develop a multifaceted organizational plan including a comprehensive mentoring program that increases each child’s level of trust of the system.

“The Department supports this recommendation and is working with Probation and DMH in collaborative efforts to provide care for the children under out supervision and improve the level of trust of the system.”

“FY 2007-08 the Department and Probation issued a Request for Proposals for Community-Based Mentoring Programs intended to serve both the Department and Probation youth, in recognition of the need for and importance of a continuous, positive relationship with an adult. In addition, to support the commitment to provide needed services to youth in care, DMH entered into agreements with our Department and Probation, co-locating staff in the Department’s regional offices and at Juvenile Hall to provide assessments for youth and to assist staff.”

Recommendation 5: The Directors of DCFS, Probation, DMH and LACOE should design and implement jointly a curriculum that addresses practical educational skills to better prepare them for independence.

“The Department supports this recommendation. The Department will meet with Probation, DMH, and LACOE in order to formulate comprehensive strategies for better meeting the educational needs of TAY youth with the goal of designing a process whereby the departments work together to formulate joint curriculum plans for each youth after assessing his/her to be independent.

A standard core curriculum focused on achieving independence should be coupled with a strategic plan individually designed for each youth based on

his/her strengths and needs. With the collaboration of all involved departments the resources, services and supports within each department can be better leveraged on a short-term and long-term strategic basis.”

Recommendation 6: Under the leadership of the Deputy CEO, DCFS, Probation, DPSS and DMH, improved programs should be provided to youth 18 to 25 who have left the system.

“The Department supports this recommendation. We recommend that the involved agencies collaborate to develop an individual plan for each TAY prior to and/or after termination of jurisdiction. In addition, a seamless process enabling both pre and post TAY to access services should be enhanced to ensure improve outcomes for the population being served. Additional employment opportunities should also be considered with this recommendation.”

Recommendation 7: Under the leadership of the Deputy CEO, DCFS, Probation and DMH in consultation with LACOE and other school districts, should develop a plan and a timetable for a comprehensive information system to capture all records on all children in the system. The plan should include: cost elements to develop and operate the system, a proposal for funding and a timetable for implementation. Progress on development and implementation should be reported every four months to the Board of Supervisors.

“The Department agrees with the above recommendation and recommends that school records be made easily accessible to DCSF and Probation. The Department currently has our own system that tracks the educational assessment, referrals to life skills classes and completion, any financial assistance, including transportation to college, even out of state, and appliances CIO/CEO regarding time frames for such automated system.”

V. RECOMMENDATIONS

- 12.1 County of Los Angeles and the Department of Children and Family Services should establish more non-Department of Health Services Transitional Age Youth drop in centers which provide showers, meals, internet access, peer support groups, linkage to educational services, employment assistance, medical treatment information and transportation. This should be completed within 24 months.
- 12.2 Los Angeles County and the Department of Children and Family Services should create financially driven incentive programs which are tied to the academic performance of foster youth. For example, the Department of Children and Family Services should reward foster care providers whose wards graduate from each level including elementary, middle and high school with a “B” average or better. This should be accomplished within 12 months.
- 12.3 Los Angeles County and the Department of Children and Family Services should create a mobile app which will allow Transitional Age Youth to access the multitude of services available to them. This should be completed within 12 months.
- 12.4 Los Angeles County and the Department of Children and Family Services should immediately start to reanalyze and implement the recommendations made by the Civil Grand Jury of 2007-2008 pertaining to foster care youth. These recommendations are still valuable. Implementation of these recommendations will ensure greater success for Transitional Age Youth.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accordance with Penal Code Sections 933.05 (a) and (b).

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Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Los Angeles County: 12.1, 12.2, 12.3, 12.4
Department of Children and Family Services: 12.1, 12.2, 12.3, 12.4

VII. ACRONYMS

BOS	Board of Supervisors
CGJ	Civil Grand Jury
DCFS	Los Angeles County Department of Children and Family Services
DHS	Los Angeles County Department of Health Services
DMH	Los Angeles County Department of Mental Health
LACOE	Los Angeles County Office of Education
LAUSD	Los Angeles Unified School District
TAY	Transitional Age Youth

VIII. COMMITTEE

Rene Childress	Co-Chair
Rita Hall	Co-Chair
Heather Preimesberger	Secretary
Francine DeChellis	
Edna McDonald	
Patricia Turner	



**RENTER OR LANDLORD:
WHO BENEFITS?**

RENTER OR LANDLORD: WHO BENEFITS?

I. EXECUTIVE SUMMARY

The City of Los Angeles (City) has an ambitious program that requires a building code inspection of every residential rental unit in the City at least once every three years.¹ The Systematic Code Enforcement Program (SCEP) is administered by the Los Angeles Housing + Community Investment Department (HCIDLA). Since inception of SCEP in 1998, the inspection of each unit has not been completed as frequently as the Los Angeles Municipal Code (LAMC) requires.

An annual fee to fund SCEP is assessed to the owner of each residential rental property in the City.² Landlords are permitted to pass on 100% of the fee to their tenants, whether or not a rental unit is inspected on schedule, according to the LAMC.³

Residential rental units in the City that were constructed before 1978 are generally subject to rent control under the Rent Stabilization Ordinance (RSO).⁴ The LAMC allows automatic annual increases in rental rates by 3% and up to 8% annually depending on economic conditions.⁵ The percentage increase amount generally correlates with the Consumer Price Index (CPI). There is a 3% floor on annual rent increases because the RSO permits a 3% increase in annual rent even if the CPI is below 3%.⁶

II. BACKGROUND

The 2015-2016 Los Angeles County Civil Grand Jury (CGJ) reviewed the SCEP.⁷ The focus of the investigation was on the frequency of SCEP inspections. Additionally, the CGJ reviewed the RSO, in particular the provision that defines the amount of annual rent increases that a landlord may charge a tenant in a rent stabilized unit.⁸

¹ LAMC §§161.301 and 161.353.

² LAMC § 161.352.

³ LAMC § 151.05.1.

⁴ LAMC §§ 151.00 through 151.30.

⁵ LAMC § 151.06 (Automatic Adjustments); based on the CPI based on data from the U.S. Department of Labor, Bureau of Labor Statistics for the Los Angeles-Riverside-Orange County area (hereafter "RSO allowable rent increases").

⁶ See RSO allowable rent increases.

⁷ LAMC §§ 161.201 through 161.604.

⁸ See RSO allowable rent increases.

A. Systematic Code Enforcement Program

Before SCEP was initiated in 1998, rental units were not required to be routinely inspected by the City for critical habitability problems that violated state and local building codes.⁹ The City's stated goal in enacting SCEP was, "...to eliminate substandard housing conditions in rental units."¹⁰ HCIDLA is responsible for administering SCEP. The aspirations of SCEP were recognized in 2005, when it earned the City the Innovations in American Government Award.¹¹

Problems such as defective water heaters, poor plumbing and mold are addressed during inspections. CGJ witnessed habitability deficiencies first hand when they accompanied a HCIDLA building inspector on inspections in various locations throughout the City. CGJ noted that many units passed inspection because they were well-maintained by conscientious landlords and tenants.

If the SCEP inspector discovers deficiencies, the owner will receive a Notice to Comply with City and state codes. If the violations are not corrected in a timely manner,¹² the city will place the property into the Rent Escrow Account Program (REAP).¹³ When a property is in REAP there may be reductions in the rent that the landlord may collect from a tenant.¹⁴ Additionally, a REAP notice is recorded against the property title, and administrative fees are charged to the landlord. The most serious consequence is referral to the Los Angeles City Attorney.¹⁵

1. SCEP inspections are behind schedule

An inspection of each rental unit is *required* "...at least once every three years."¹⁶ There is no authority for longer intervals between inspections. However, according to HCIDLA, after a rental unit is inspected, it takes *more than three years* to perform a subsequent inspection.

HCIDLA has informed the CGJ that SCEP inspections are behind schedule because the department does not have a sufficient number of staff qualified to perform such inspections.

⁹ California Civil Code § 1941.1.1 et seq.

¹⁰ LAMC § 161.353 et seq. (Added by Ordinance No. 172,108, Effective July 15,1998).

¹¹ Presented by the Harvard Kennedy School Ash Center for Democratic Governance.

¹² Rent Stabilization Bulletin-THE SYSTEMATIC CODE ENFORCEMENT BULLETIN, p. 3 ("The Owner will be allowed up to 30 days to make the repairs (depending on severity of the deficiencies).")

¹³ LAMC §§ 162.00-162.12.

¹⁴ LAMC § 162.05.

¹⁵ LAMC § 162.04.

¹⁶ Ibid.

Example:

A building passed a SCEP inspection in 2006, the next mandatory inspection was completed in 2011, more than 2 years late. Moreover, the next inspection, due in 2014, was not performed until 2015, according to the LAMC. See Figure 1.

Figure 1. FREQUENCY OF INSPECTIONS OF AN ACTUAL SAN FERNANDO VALLEY APARTMENT PROPERTY

Cycle	Inspection Date	Time Since Last Inspection
I	No data	-
II	2/19/06	-
III	6/13/11	5 years and 4 months
IV	3/06/15	3 years and 9 months

Source: CGJ with data provided by HCIDLA.

HCIDLA publishes a Rent Stabilization Bulletin (Bulletin) to inform the public about various provisions of the program. However, the Bulletin does not inform the public about the three year deadline, “Under SCEP, HCIDLA *thoroughly inspects the City’s residential rental properties once every four years.*”¹⁷ (The Bulletin should accurately inform the public that inspections of each rental unit are required in intervals of every three years.) Alternately, the city should amend the section of the LAMC that defines the mandatory frequency of intervals between SCEP inspections. See LAMC, section 163.353.

2. Accelerated schedule

Inspections may also be complaint-based.¹⁸ Complaint-based inspections are put on an accelerated schedule, when there are *serious risks to health and/or safety* such as no heat, gas or water.¹⁹ The CGJ witnessed complaint-based inspections first hand and found certain tenant’s living conditions to be deplorable. According to information provided by HCIDLA to the CGJ, once a complaint inspection has confirmed violations, the unit is placed on an accelerated SCEP inspection cycle.

3. 100% of inspection fees may be “passed-through” to tenants

The annual SCEP fee for each residential rental unit in the city is \$43.32. The fee is assessed to the landlord. However, the LAMC allows a landlord to “pass-through” 100% of the fee to the tenant as a charge of \$3.61 per month, in addition to rental payments.²⁰ Information provided to the CGJ by HCIDLA, indicates that a total of

¹⁷ Rent Stabilization Bulletin-THE SYSTEMATIC CODE ENFORCEMENT PROGRAM (SCEP), p.1. hcidla.lacity.org/system/files_force/documents/SCEP_English.pdf?

¹⁸ LAMC § 161.351.

¹⁹ LAMC § 161.353. See also HCIDLA Rent Stabilization Bulletin # 52-3.25.2015; Telephone number for complaints is 866-577-7368; online complaints may be filed at the HCIDLA website at: <http://hcidla.lacity.org> in-person at HCIDLA Public Information Counter.

²⁰ Rent Adjustment Commission Regulations § 370.00; Fee allowed provided landlord is not delinquent in the payment of annual fee to HCIDLA; landlord must serve the tenant a 30-day written notice. http://161.149.40.43/hcidla-library?field_document_category_tid=145&combine=RAC+&date_filter%5Bvalue%5D%5Bdate%5D=01%2F01%2F1999&date_filter_1%5Bvalue%5D%5Bdate%5D=08%2F20%2F2015

approximately \$42.5 million in SCEP fees and nearly \$500,000 in delinquent fees were collected in the first 4 months of 2016.

Property owners are charged the \$43.32 fee annually for each rental unit, whether or not the units are inspected in the current year of payment.²¹ For example, if a unit is inspected once every three years, \$129.96 will have been collected. (Calculation: 3 yrs. x \$43.32= \$129.96.) If the inspection is once every four years, \$173.28 in fees will have been collected for each unit.

According to HCIDLA the SCEP Trust Fund has not been audited in years. The CGJ interviewed key staff members of the Los Angeles City Controller (Controller), who stated that due to budget constraints and limited staffing of auditors, periodic audits have not been conducted. The CGJ recommends that the City either allocate sufficient funds so that the Controller may begin to perform periodic audits of the SCEP Trust Fund; or amend section 161.352 of the LAMC which sets the frequency of SCEP inspections.

B. Rent Control In Los Angeles

Rent rate increases in residential rental units in the City built before 1978 are subject to rent control under RSO. Rental units constructed after 1978 are not subject to rent control. Approximately 641,000 units in the city are under rent control.²²

1. Allowable automatic rent increase

Landlords may increase the rent under RSO by 3% annually, even when there is a downturn in certain economic conditions. When the economy is very strong the annual rent increase percentage may be up to 8%.²³ The annual rent increase adjustment normally mirrors the CPI,²⁴ however, there are exceptions. For example, in years when the CPI is below 3%, or even negative, a tenant still may receive a 3% rent increase, at the landlord's discretion.

For example, a tenant with a \$2,500 monthly rent may still be subject to a \$75 per month increase when the CPI is less than 3% even when it is in negative territory. See Figure 2.

²¹ LAMC § 161.353.

²² According to data provided to the CGJ by HCIDLA.

²³ LAMC § 151.06 (Automatic Adjustments).

²⁴ LAMC § 151.07 A.6. The CPI average for the twelve (12) month period ending September 30 of each year.

Figure 2. ANNUAL RENT INCREASES ALLOWED UNDER THE RSO

	CPI	Beginning Rent	% Allowed	Increased Rent (July 1 each yr.)
	8%	\$ 2,500	8%	\$ 2,700
	7%	\$ 2,500	7%	\$ 2,675
	6%	\$ 2,500	6%	\$ 2,650
	5%	\$ 2,500	5%	\$ 2,625
	4%	\$ 2,500	4%	\$ 2,600
	3%	\$ 2,500	3%	\$ 2,575
CPI less than 3%	2%	\$ 2,500	3%	\$ 2,575
	1%	\$ 2,500	3%	\$ 2,575
	0%	\$ 2,500	3%	\$ 2,575
	-1%	\$ 2,500	3%	\$ 2,575
		\$ 2,500	3%	\$ 2,575

Source: CGJ with data provided by HCIDLA

It is not uncommon for the CPI to be below 3%. It has been lower than 3% every year since 2010. For example, in 2010 when the CPI was -.062%, the LAMC authorized a 3% increase in annual rents in rent stabilized units. See Figure 3.

Figure 3. ALLOWABLE RENT INCREASES SINCE 2006

YEAR	CPI	INCREASE ALLOWED
2006	4.45%	4%
2007	4.79%	5%
2008	2.97%	3%
2009	4.14%	4%
2010	-0.62%	3%
2011	1.17%	3%
2012	2.24%	3%
2013	2.10%	3%
2014	1.55%	3%
2015	1.19%	3%
2016	0.80%	3%

Source: CGJ with data provided by HCIDLA

In the CGJ's opinion, the 3% automatic increase is unfair to low to moderate income tenants when the CPI is below 3%.

2. Property tax break for landlords for declines in market value

Property owners may receive property tax reductions on their real estate when the Fair Market Value (FMV) of their property declines. When the FMV is lower than the

factored base year value (Proposition 13 value), the Assessor is required to enroll the FMV.²⁵ California assessors refer to this as “Decline in Value.”

Example:

An 18 unit apartment building in the City of Los Angeles that is under rent control received Decline in Value property tax reductions. For example, in 2014 and 2015, the FMV of the property was lower than the Proposition 13 value. Since property taxes are based on the lower of the two values, the property owner received substantial reductions. In 2014 his property tax bill was reduced by an estimated amount of \$5,263.69; in 2015 the savings was approximately \$5,560.06. See Figure 4.

Figure 4. ACTUAL PROPERTY TAX REDUCTIONS FOR A BOYLE HEIGHTS APARTMENT OWNER (RSO PROPERTY)*

Year	Proposition 13 Value	Fair Market Value (FMV)	Enrolled Value (lower of FMV or Prop. 13)	Est. Tax Savings
2014	\$ 1,727,928	\$ 1,296,000	\$ 1,296,000	\$ 5,263.69
2015	\$ 1,762,451	\$ 1,296,000	\$ 1,296,000	\$ 5,560.06

APPROXIMATE SAVINGS IN PROPERTY TAXES IN 2014 AND 2015: \$10,823.75

**Note: The amounts in Figure 4 include publicly-available information provided to the CGJ by the Los Angeles County Assessor.*

According to public records in the Los Angeles County Assessor’s Office, in 2014 owners of RSO properties received over \$9 million in property tax reductions. In 2015, the reductions were over \$6 million. In the same year that a landlord may receive a substantial **reduction** in property taxes, the tenant may receive an **increase** in rent. There are no provisions in RSO to reduce a tenant’s rent if the current rent level is higher than current fair market rent.

Example:

A tenant lives in a large apartment complex of rent stabilized units and the rent has been increased each year under the provisions of the RSO. The rent for his current unit is higher than fair market rent. The choice the property management gives the tenant is to move to another unit in the complex in order to pay fair market rent, or to stay in the unit subject to a 3% increase in the rate, or leave the complex. In this case the tenant had to move within the complex so he would pay fair market rent.

²⁵ California Revenue and Taxation Code § 51(a).

III. METHODS AND PROCEDURES

The CGJ accomplished the following:

- interviewed Housing + Community Investment Department General Manager, senior management and the Director of Code Enforcement,
- interviewed senior staff of the Los Angeles City Controller's Office,
- accompanied a Housing Inspector during SCEP inspections,
- observed a General Manager's Meeting,
- attended a Rent Escrow Account Program Code Enforcement and Billing Information Workshop,
- interviewed property managers and tenants,
- reviewed system generated Rent Stabilization Cycle Reports,
- reviewed various system generated Inspection Reports,
- reviewed Los Angeles County Assessor's Office public data on the assessed values of properties under the Rent Stabilization Ordinance,
- reviewed certain HCIDLA procedures,
- analyzed Systematic Code Enforcement Program Inspector staffing statistics,
- reviewed HCIDLA's SCEP financial report,
- interviewed a Los Angeles City Councilmember, and
- reviewed certain sections of the LAMC.

IV. FINDINGS

1. SCEP inspections of all rental unit properties in the City of Los Angeles are required at least once every three years per the LAMC.
2. SCEP inspections of each rental unit in the City of Los Angeles have not been performed at least once every three years as required by the LAMC.
3. HCIDLA is responsible for administering the SCEP.

4. The SCEP Trust Fund has not been audited by the Controller in years.
5. The Rent Stabilization Bulletins omit informing the public that SCEP inspections are required at least once every three years, per the LAMC.
6. The SCEP fees are collected annually from the landlord for each rental unit in the City; 100% of the fees may be passed on to the tenant.
7. HCIDLA does not have sufficient staff to perform timely SCEP inspections.
8. HCIDLA disseminates information to the public on SCEP and the RSO in the Rent Stabilization Bulletin.
9. Under the RSO, annual rent increases from 3% to 8%, depending on the current CPI, are permitted in rent stabilized units.
10. Landlords may be eligible for reductions in property taxes on their rental properties when Fair Market Values decline due to economic conditions.
11. The annual rent increases permitted under the RSO may result in rent that is higher than fair market rent.
12. HDICLA does not have a sufficient number of qualified inspectors to perform SCEP inspections at each rental unit in the City every three years as required by LAMC.

V. RECOMMENDATIONS

- 13.1 The City of Los Angeles Housing + Community Investment Department should inspect each rental unit in the City of Los Angeles at least once every three years as required by the Los Angeles City Municipal Code.

or

- 13.2 The City of Los Angeles should, within three months, amend section 163.352 of the Los Angeles Municipal Code that states the mandatory interval between Systematic Code Enforcement Program inspections.
- 13.3 The City of Los Angeles Housing + Community Investment Department should, within three months, accurately inform the public that inspections of each rental unit in the City of Los Angeles are required at intervals of every three years.
- 13.4 The City of Los Angeles should, re-evaluate the 3% floor on automatic annual rental increases, when the CPI is lower than 3%. Allowable rent increases

should equal the Consumer Price Index when it is lower than 3% but not below 0%.

- 13.5 The City of Los Angeles should, within three months, provide sufficient funding to the Los Angeles City Controller so that there will be sufficient audit staff to perform periodic audits of the System Code Enforcement Program Trust Fund.
- 13.6 The Los Angeles City Controller should audit the System Code Enforcement Program Trust Fund within three months.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses to recommendations shall be made no later than (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accord with Penal Code Sections 933.05(a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles. CA 90012

Responses are required from:

City of Los Angeles:	13.2, 13.4, 13.5
Los Angeles Housing + Community Investment Department:	13.1, 13.3
Los Angeles City Controller	13.6

VII. ACRONYMS

CGJ	Civil Grand Jury
CPI	Consumer Price Index
FMV	Fair Market Value
HCIDLA	Los Angeles Housing + Community Investment Department
LAMC	Los Angeles Municipal Code
REAP	Rent Escrow Account Program
RSO	Rent Stabilization Ordinance
SCEP	System Code Enforcement Program

VIII. COMMITTEE MEMBERS

Debra Cohen	Chair
Francine DeChellis	
Patricia Turner	



SAVE OUR SENIORS:
NURSING HOME
INSPECTIONS

SAVE OUR SENIORS: NURSING HOME INSPECTIONS

I. EXECUTIVE SUMMARY

In all counties of California, except Los Angeles County, the California Department of Public Health (CDPH) conducts inspections of Nursing Home Facilities (NHF) and investigates nursing home complaints. Most of the people in nursing homes are seniors. In Los Angeles County, the Los Angeles County Department of Public Health (DPH) through its Health Facilities Inspection Division (HFID) carries out NHF inspections and complaint investigations in the 396 NHFs located in the county. HFID and Los Angeles County are contracted with the State of California to enforce state and federal laws as they relate to nursing homes.

In 2014, two audits were conducted by the State of California and the County of Los Angeles relating to the operations of HFID.¹ Both audits made several recommendations to improve the effectiveness and efficiency of HFID operations. The audits uncovered a large backlog of complaints that were not investigated, some of which went back several years. In June 2015, a new contract was entered into between the State of California and Los Angeles County.² This contract attempted to address many of the deficiencies found in the audits. In 2015, incremental funding of \$14 million was provided to HFID to hire more personnel.

The new contract attempted to reduce, by thirty percent, the workload of Health Facilities Evaluator Nurses (HFEN), also called surveyors. Additional hires would substantially increase HFID's ability to reduce the backlog of complaints and complete certification and recertification surveys in a timely manner. It is hoped that when the new hires are assigned to various district offices the backlog of complaints will be reduced.

The 2015-2016 Los Angeles County Civil Grand Jury (CGJ) reviewed the HFID's inspection of nursing homes. Our review showed that the number of complaints against the NHFs was larger in 2015 than in 2014. Despite an increase in the number of complaints being investigated, the backlog continues to be high. The data provided by CDPH shows a backlog of 6,514 pending complaints, with some going back to 2011.³

The CGJ feels that significant time savings can be gained by standardizing and systematizing the surveys and complaints investigating process, fully utilizing laptops and setting up a single point for entry of complaints. The use of laptops by surveyors is sporadic, and some senior surveyors are not fully utilizing this technology. The CGJ also finds that efforts need to be made for improving the communication between senior

¹ California State Auditor, Sacramento, CA, October 2014, and County of Los Angeles, Department of Auditor-Controller, April 4 and August 27, 2014.

² Agreement Number 15-00003, July 2, 2015 (hereafter "Contract").

³ Email to CGJ from HFID, February 29, 2016, "Data Request."

management and the rest of the workforce. Further steps need to be taken to improve the morale of the employees.

II. BACKGROUND

Skilled Nursing Facilities (SNF), NHFs, and Long Term Care Facilities are all titles used to describe the facilities that have been under review by the Center for Medicare and Medicaid Services (CMS), CDPH, and DPH. In California, Medicaid is called Medi-Cal. As a result of the 2014 audit, HFID was transferred to the Environmental Health Division, reporting ultimately to the Los Angeles County Department of Health Services (DHS).⁴

A. Staffing

1. Health Facilities Evaluator Nurse (HFEN)

HFENs perform a valuable public service by overseeing the quality of healthcare provided to Californians. HFENs conduct complaint investigations and in-depth surveys of health facilities to determine compliance with state and federal laws, and certification requirements of the Medicare and Medicaid programs. Their primary responsibility is enforcement of state and federal laws and rules pertaining to areas affecting total patient care such as nursing, physician care, physical therapy, pharmacy, social services, dental care and related services.⁵

The HFENs may act as team leaders on surveys and complaint investigations and assist in the training of new staff. They conduct surveys by visiting nursing home facilities, interviewing patients, evaluating the adequacy of patient care through direct observation, inspecting the facility, and reviewing patient and staff personnel records. They evaluate reports prepared by state or county level experts. Survey data is analyzed and recommendations are made to approve or disapprove the certification of nursing homes in accordance with federal, state and local laws and regulations. They issue citations in accordance with deficiencies found.⁶

2. Registered Environmental Health Specialist (REHS)

REHSs work to improve the quality of life and health at nursing homes through environmental and physical inspection of the facility. In accordance with the new contract the REHS cannot now independently conduct surveys.⁷

⁴ CDPH website. <http://www.cdph.ca.gov/programs/LNC/pages>

⁵ County of Los Angeles, "Class Specification Bulletin, Health Facilities Evaluator, Nursing, Class Code 5707," April 1, 2007. <https://agency.governmentjobs./lacounty/default.cfm?action=specbulletin+ClassSpec,1c>

⁶ CGJ interviews with HFID staff.

⁷ CGJ interviews with HFID supervisors and assistant supervisors.

3. Health Facilities Supervisors

A supervisor is a manager of at least four HFENs at district offices. They engage in supervising surveys for health facility licenses,⁸ issuing citations and levying civil penalties. Supervisors are involved in determining program flexibility and decisions and reviewing health facilities for participation in Medicare and Medicaid programs. They perform more difficult and complex surveys of nursing homes.⁹

Supervisors and assistant supervisors are required to review the surveyors' findings and draft reports to confirm the accuracy of the findings and determine if the evidence supports the findings. Supervisors and surveyors must come to a consensus on the recommended deficiencies found and recommended citations. Surveyors are called to testify when litigation or appeals are made: therefore, it is critical that they are included in all discussions regarding their investigations, especially if their conclusions are changed.¹⁰

4. Program Manager

Program managers are responsible for overseeing HFID district offices. They may manage individual departments or district offices.

B. Complaints Processing

1. Complaints made by the public

CDPH has contracted with DPH and HFID to investigate complaints relating to nursing home facilities located within Los Angeles County.¹¹ Complaints are submitted by the general public, family members of residents, staff and residents. In Los Angeles County such complaints are filed with HFID.

Complaints made to HFID can be made telephonically, by computer, smart phone, fax and mail. Complaints made electronically to HFID all go to the Information Technology (IT) Center at HFID headquarters in Norwalk, California. At the IT Center, the complaints are entered into the Aspen Complaint Tracking System (ACTS). Complaints made telephonically or by fax, are entered onto an "intake form" and directed to the appropriate district office by the support staff.¹²

The number of complaints received by HFID in 2014 was 1,527 and increased to 1,866 in 2015. The data shows HFID completed 1,506 complaint investigations in 2014, which increased to 2,235 in 2015.¹³ See Chart 2.

⁸ Ibid.

⁹ CGJ interviews with HFID staff.

¹⁰ Ibid.

¹¹ Contract, paragraph A.5.H.

¹² CGJ interview with HFID supervisors.

¹³ Email to CGJ from HFID, February 19, 2016, "Number of Complaints made Each Month, January 1, 2014 – December 31, 2015."

2. Entity Reported Incident (ERI)

Under State law and regulations, NHFs must self-report events such as epidemic outbreaks, poisonings, fires, major accidents or other catastrophes, or unusual occurrences which threaten the welfare, safety, or health of residents, staff or visitors.¹⁴ Alleged or suspected patient abuses are also to be reported. These self-reported complaints are known as ERIs. HFID investigations of ERIs increased from 1,067 in 2014 to 1,343 in 2015.¹⁵

ERIs and complaints made by the public are combined to analyze trends and backlog of complaints.¹⁶

HFID classifies and prioritizes complaints based on the severity of the event. Complaints are classified as Immediate Jeopardy (IJ) if a facility's non-compliance has caused or may cause serious injury, harm, impairment, or death to the resident. Complaints classified as non-IJ are situations in which the facility's noncompliance caused or may cause harm that has limited consequence and does not significantly impair the resident.¹⁷

California law provides that IJs will be investigated by HFID within 24 hours of receipt of the complaint. Investigation of all other complaints must be started within 10 days of receipt.¹⁸

¹⁴ CDPH, Health Consumer Information System, "Health Information General Questions." <http://hfcis.cdph.ca.gov/faq/General.aspx>

¹⁵ Email to CGJ from HFID, February 26, 2016, "The number of complaints January 1, 2014, 2014-February 22, 2014."

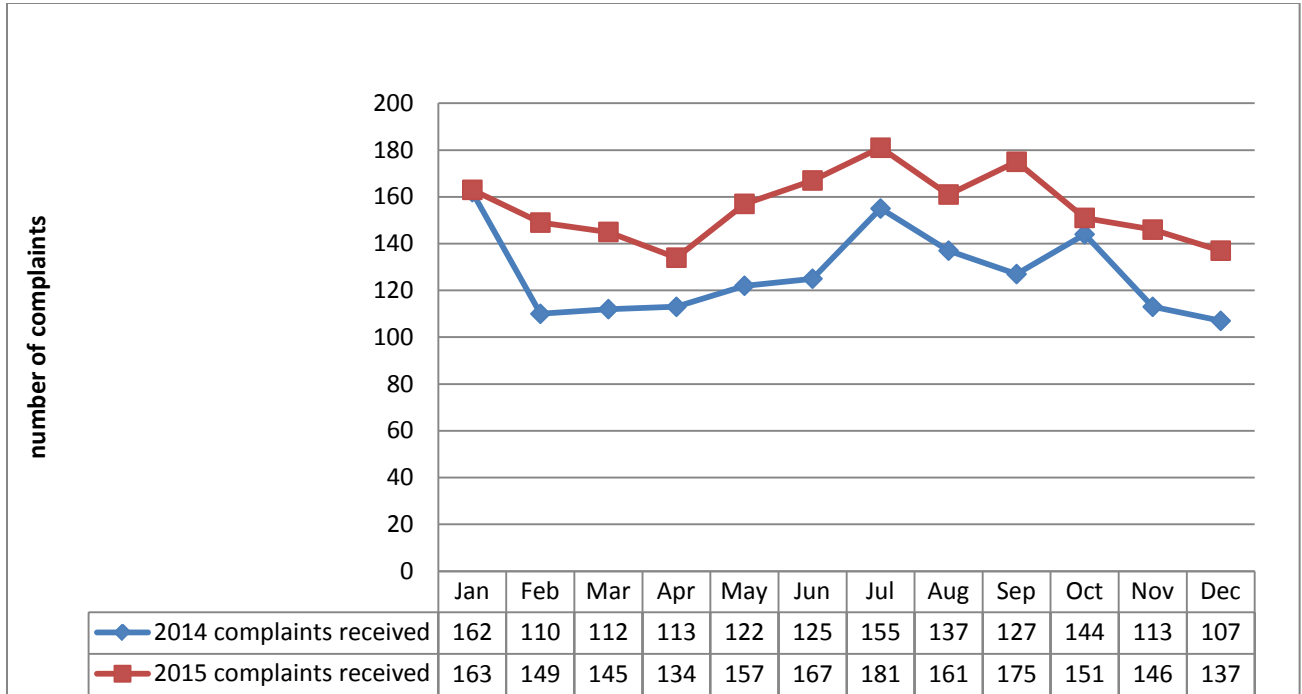
¹⁶ Ibid.

¹⁷ California State Operations Manual, Appendix Q, "Guidelines for Determining Immediate Jeopardy," paragraph II, February 14, 2014, as well as CGJ interviews with HFID staff.

¹⁸ California State Auditor Report 2014-111, October 2014, p. 14.

Chart 1

Monthly Trend of Incoming Complaints (2014-2015)



Source: Prepared by CGJ based upon data provided in HFID email dated February 26, 2016.

3. Complaints backlogs

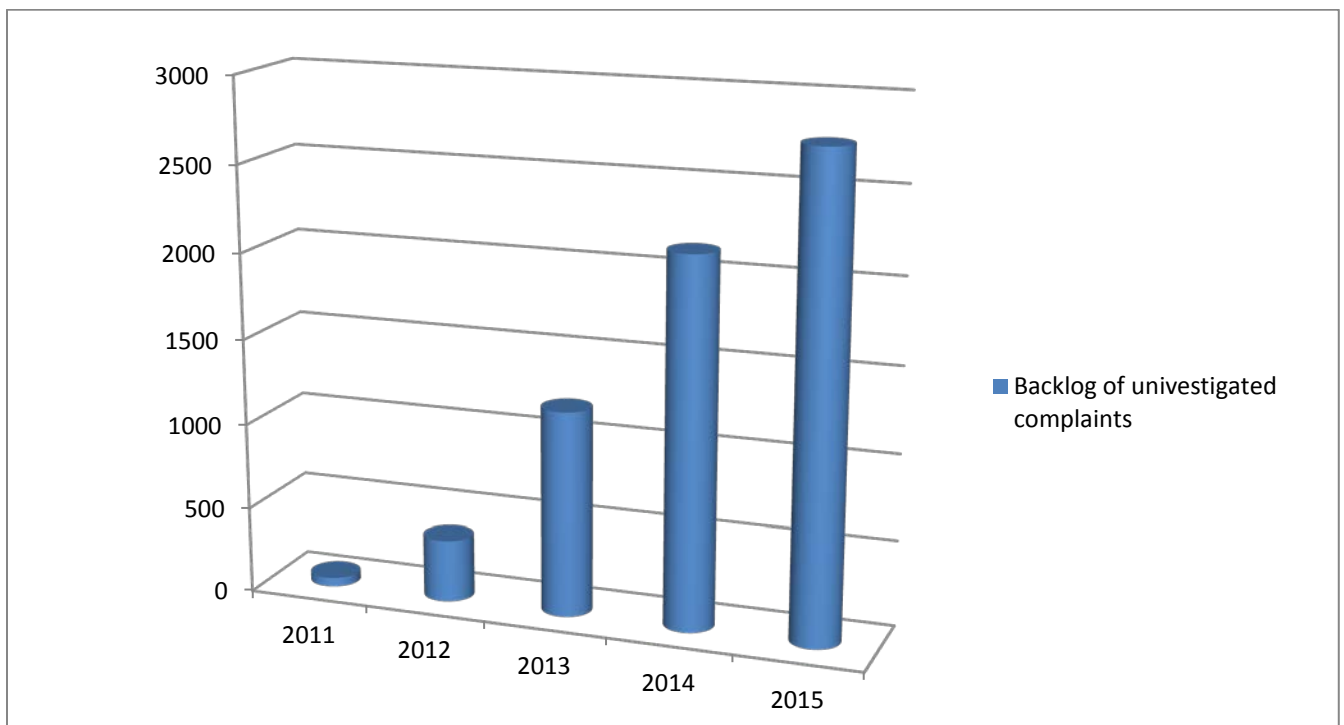
Despite the increasing number of complaints being investigated, the backlog of complaints continues to be high.

The total number of backlogged complaints at the end of 2015 was 6,514 including

- 52 complaints from 2011,
- 363 complaints from 2012,
- 1,146 complaints from 2013,
- 2,143 complaints from 2014, and
- 2,760 complaints from 2015.

Chart 2 is a pictorial representation of the backlog of complaints, created by CGJ based upon information provided by HFID.¹⁹

Chart 2
Backlog of Complaints



¹⁹ Email to CGJ from HFID, February 22, 2016, "Backlog Pending Investigations."

C. Certification And Recertification Surveys

In 1986, at the request of Congress, a study was conducted by the federal Institute of Medicine and it found that residents of nursing homes were being abused, neglected and given inadequate care. The Institute proposed reforms be made and subsequently the Nursing Home Reform Act was passed.²⁰ The provisions of the Act were contained in the Omnibus Budget Reconciliation Act of 1987.²¹ The Act requires that states and the federal government inspect nursing homes to ensure that residents receive quality care and services.

The law requires that the states and federal government complete inspections of Skilled Nursing Home Facilities (SNF) and NHFs to certify their compliance. The inspections of SNF and NHF are called surveys and are conducted by HFID.²² Survey teams consist of two or more HFENs and may include REHS, physicians, dieticians and other personnel as needed.²³ The initial certification survey of nursing homes focuses on residents and structural requirements.²⁴ The state has contracted with DPH to conduct surveys for recertification and relicensing.²⁵

Recertification surveys are to be completed no later than 15.9 months from the exit date of the previous survey. Over the course of the contract the elapsed time between surveys of each NHF will be reduced so as not to exceed 12.9 months.²⁶ HFID staff is expected to complete two surveys per month.²⁷

D. Citations

Under the 2015 contract entered into between the State of California and the County of Los Angeles, DPH and HFID are called upon to issue citations to NHFs when deficiencies are found during inspection (surveys) and complaint investigations.²⁸ The contract also requires HFID to revisit facilities that have received citations to make sure the nursing home has corrected the deficiencies noted.²⁹

Citations are issued by HFID for violations of state or federal law. There are several classes of citations:

Class AA – issued when a resident death has occurred and the cause is found to be the responsibility of the nursing home;

Class A – issued when a violation presents imminent danger or a substantial probability of death or serious harm;

²⁰ 42 CFR § 483.25, "Quality of Care."

²¹ Public Law 100-203, December 22, 1987.

²² CGJ interviews with HFID staff.

²³ Ibid.

²⁴ Ibid.

²⁵ Contract, Exhibit A, paragraph 5.A.

²⁶ Contract, Exhibit A, paragraph 6.D.(1)b.

²⁷ CGJ interviews with HFID staff.

²⁸ Contract, Exhibit A, paragraph 5.D.

²⁹ Ibid.

Class B – issued for all other violations.

Citations issued by HFID personnel are given to the Citation Desk Supervisor, located at the El Monte district office, within five days after they are issued. The supervisor then enters the citation on the computer into the Electronic Licensing Management System (ELMS) which provides information to state officials.³⁰

All A or AA citations go up the chain of command at HFID and DPH legal for approval. The NHF owner is given a copy. Within 24 hours after being given a citation the nursing home owner must prepare a plan of correction for the deficiencies noted in the citation.³¹

In 2014, HFID issued 25 Class A citations and four Class AA citations. In 2015, the number of citations issued almost doubled, with 49 Class A and seven Class AA citations issued.³²

Citations carry monetary penalties, which are collected by the State of California. Class AA violations draw fines of \$25,000 to \$100,000. Class A and Class B violations fines range from \$2,000 to \$20,000. Also, any willful material falsification or willful material omission in the health care record of a patient can result in a fine of \$2,000 to \$20,000 for each violation.³³

Appeals from the issuance of a citation are handled by the State of California, Department of Public Health (CDPH).

- To uphold a Class AA citation, HFID must prove that: (1) the violation was a direct proximate cause of the death of a patient; (2) the death resulted from an occurrence the regulation was designed to prevent; and (3) the deceased was among the group intended to be protected by the regulation.³⁴
- In order to uphold a Class A citation on appeal, HFID must prove imminent danger from a deficiency that could cause death or serious harm to a patient or a substantial probability of death or serious harm caused to a patient by the deficiency.³⁵
- Class B citations are upheld on appeal if the violation is found to have a direct relationship to the health, safety or security of a patient.³⁶

³⁰ Interview with HFID Citation Desk staff.

³¹ Ibid.

³² Information provided by HFID, "List of A and AA citations issued 2014-2015."

³³ California Advocates for Nursing Home Reform, "CA Nursing Homes: Violations Key, October 22, 2015."
http://www.canhr.org/NH_Data/List_Key/ViolationsKey.html

³⁴ Contract, Exhibit A, paragraph 8.D.

³⁵ Ibid.

³⁶ Ibid.

The Citation Desk has one supervisor and two support staff members. The desk should use more staff members to process citations.³⁷

E. Hiring

Los Angeles County, in 2015, received \$14 million to hire additional staff as a result of the new contract.³⁸ Inadequate staffing had been identified in the audits as a primary cause of the backlog. Los Angeles County has hired 57 new registered nurses for surveyor positions.³⁹ At present, there are 27 HFENs who are ready to be certified by the federal exam to work in the field independently. Management needs to secure supervision and support staff for these new hires. HFID is on track to meet its hiring target.

F. Training

Proper training is imperative for the HFID staff to be efficient. This will lead to better morale and efficiency. As a result of our interviews it became clearly evident that the department is not properly training its employees. This makes for very low morale within the department. However, the most disturbing result of this failure to train properly is the well-being of residents of NHF that HFID is hired to protect. The voices of the elderly and ill who reside in the nursing homes are silent and clearly their needs are in jeopardy.

New hires go through county orientation and learn what it means to be a county employee. They do this by viewing six weeks of webinars before starting the state training. Several state run academies offer state training and usually have a class size of 30. Reservations must be made for the date and location which is most convenient. The training lasts for three weeks and during this time the new hire learns the state regulations that a surveyor will be enforcing.⁴⁰

Federal training consists of one week of classes given in Los Angeles County to acquaint the surveyor with the federal regulations (Medicare and Medicaid) he or she will be enforcing. Federal training must be completed before the new hire can take the Surveyor Minimum Qualification Test (SMQT). The federal test is only scheduled a few times a year. New hires may conduct complaint investigations with additional supervision, and may accompany qualified nurses on regular inspections. This on-the-job-training continues until federal training is completed and the SMQT test is passed.⁴¹

In order for an employee to do their job there are certain factors that the employer must provide. Among these are proper training and mentoring. From discussions with surveyors and supervisors, the CGJ feels that the training provided is not adequate.

³⁷ Interview with HFID Citation Desk staff.

³⁸ Contract, Exhibit B, paragraph 6.A. 41; Contract between California Department of Public Health and County of Los Angeles dated June 15, 2012, Agreement Number 12-10082, Exhibit B, paragraph 5.A. Comparing the information in these documents, the difference is approximately \$14 million.

³⁹ Email to CGJ from CDPH, April 14, 2016, "RE: HFID Surveyor's Count."

⁴⁰ Interview with HFID training staff.

⁴¹ Ibid.

CGJ interviews with HFID personnel lead to the conclusion that HFID staff feels that their training is grossly inadequate. This leads to the question of how HFID is failing to understand and appreciate this situation. This problem should be immediately corrected.

The implementation of the use of laptops for investigations has created additional problems. Laptop training at HFID consists of webinars and about 4 hours of classroom work. The new hires have adapted to the integration of these, but the older employees are still writing reports manually and then entering these reports into the laptop when returning to the office. This is not time efficient. Based upon interviews of senior surveyors, laptop training is not adequate.

Since the new contract, one trainer has been added to the staff bringing the total to three. These three trainers support all five district offices in Los Angeles County. With the 57 new hires and the 80 existing surveyors, who need to be kept informed of new and changed procedures, the training department is severely understaffed. Other counties in the state have one trainer for each district office.⁴² HFID should add a trainer to each district office. With this addition, it is hoped that trainers will have sufficient time to gain feedback from surveyors as to the adequacy of training given.

A Quality Assurance Committee has been created, consisting of surveyors, supervisors, and senior management. It meets weekly, if possible, to discuss ways to improve methodology of the activities of HFID.⁴³ Emphasis should be given to the work of this committee and senior management should listen and act upon its suggestions.

G. Systems

CMS maintains a National Database (ND) in Baltimore, Maryland which is the end repository for, among other information, all data pertaining to nursing homes throughout the country. California's NHF data is maintained in the State Agency (SA) database in Sacramento which is synchronized with ND on a nightly basis.⁴⁴

ASPEN is a suite of applications used to input and process local data and to interact with the SA database. Within ASPEN, the Aspen Complaint Tracking System (ACTS) is the entry point for complaint and ERI data which is referred to as an ACTS "intake". Another application is Aspen Central Office (ACO) which manages licensing and certification and is the main collection point for facility information.⁴⁵

HFCIS is the software used by HFID to track consumer complaints and ERIs. CMS provides qualified users the Certification and Survey Provider Enhanced Reports

⁴² Ibid.

⁴³ Ibid.

⁴⁴ Interview with HFID Staff.

⁴⁵ Ibid.

(CASPER) for extracting data from ND and for printing reports.⁴⁶ ACTS Reports Menu provides the same service for the SA database but is not as functional as CASPER. Other tools are available but their use requires significant technical knowledge.

During interviews with nurse surveyors, CGJ noted that they were supplied with new laptops. Further discussion unveiled the fact that the laptops were not being used during investigations due to unfamiliarity with the equipment. Questions to the IT department revealed that the new laptops were HP Revolve 810 Tablet PCs and were loaded with a standard California Department of Public Health System which runs on Microsoft Windows 7.

This is a solid platform which has eliminated any software bugs found since its introduction. To use this equipment to its full potential, it should be user friendly, and include a new improved template especially developed for surveyors to use during complaints investigation and surveys. Such a template should be developed with major input supplied by the nurse surveyor end user. This template would be downloaded with data for the site being investigated and would ease the input of boilerplate data with most entries being yes/no or other short responses. Additional data can be entered on screen using the One-Note function of Microsoft Office. This change from pen and paper to electronic data entry could dramatically reduce the workload for entering investigative data, but adequate training must be provided.

H. Communication

There is a communication disconnect between the managers and the line personnel at HFID. The breakdown in communication is contributing to low morale. Several of the surveyors expressed their frustration with the lack of communication when interviewed by the CGJ. When queried as to policies that could be utilized to enhance communication, they readily responded. The staff felt that it would be extremely beneficial for the department head, managers and supervisors to have an open door policy.

Additionally, regularly scheduled meetings should be held to ensure that communication is fluid. Information should travel vertically up and down so that all persons are informed and kept in the information loop.

Another form of communication they felt was critical to the success of HFID was that the headquarters' senior management should visit area offices on a regular basis. This would provide them with a ground level perspective to know which policies are working, which ones need improving and which ones are not working and need to be modified or replaced.

Surveyors also felt that headquarters' senior management should accompany a surveyor to observe the details of the job. It was felt that if the upper echelon had firsthand experience doing surveys, they would understand exactly the complexities of

⁴⁶ Email to CGJ from CDPH, February 4, 2016, "Federal System Support."

the job and have a more realistic view of the process. Equipped with this knowledge, the headquarters' senior management would be able to affect policies to assist the surveyors to effectively and expeditiously do their job. All levels of supervision need to seek the input of surveyors when developing any new policies and or procedures regarding the investigation of complaints. And lastly, the headquarters' senior management needs to ask the surveyors what tools they need to be more proficient in doing their job.

I. Morale

It does appear to the CGJ that morale and cooperation at HFID is in need of improvement. This situation seems to relate to a backlog of complaints/workload, surveyors RN/REHS hostility and upper management not being promoted from within.

Complaint backlog is at approximately 6,500 complaints, some stemming from 2011.⁴⁷ This, coupled with the survey schedule has put a great deal of pressure on surveyors. It is hoped that the new hires, once they complete their training, will reduce the work hours and pressure

REHS were the majority of surveyors in the past, but, especially with the new contract, all new hires for surveyors are registered nurses (RN) licensed to practice in California.⁴⁸ RNs starting salaries are greater than for REHS surveyors and that is a problem area for REHS individuals.⁴⁹ Also, only RNs can lead a survey, although a REHS surveyor on the team may have more experience. In addition, the work of REHS surveyors has been cut back to its present level, even though, before RNs were hired exclusively, the REHS surveyors performed the same duties as RNs do now.⁵⁰

Based upon interviews and discussions with HFID staff it appears to the CGJ that there is a prevailing view among middle to lower level employees at HFID that, since the headquarters' senior management came from a different division, they have little or no knowledge of what surveyors or supervisors do on a regular basis. It is also apparent to the CGJ that the fact that headquarters' senior management does not regularly visit district offices, and does not consult with surveyors and supervisors on policies relating to the conduct of surveys, does not help this feeling.

Until each of these issues is dealt with and management recognizes the issue, morale will remain a drain on worker cooperation and pride in accomplishment.

⁴⁷ See footnote 3, supra .

⁴⁸ Contract, Exhibit A, paragraph 5.E.

⁴⁹ CGJ interviews with HFID staff.

⁵⁰ Ibid.

III. METHODS AND PROCEDURES

The CGJ conducted numerous interviews with senior staff, program managers, HFENs and REHS as well as supervisors and assistant supervisors.

CGJ also spoke to staff at the IT, Citation Desk, hiring and training areas.

The CGJ obtained reports detailing number and backlog of complaints, the number of “AA” and “A” citations as well as the aging of complaints. The requested information was provided by CDPH.

Documents relating to audits were obtained and reviewed including quarterly inspection reports with level “AA” and/or “A” deficiencies since January 2014. Nursing home inspection reports conducted by HFID for the last three quarters were reviewed.

IV. FINDINGS

1. Complaints submitted electronically are logged in electronically by the IT staff at the Norwalk location. Complaints submitted via telephone, fax or mail, are sent to the appropriate district office and, after review, it is then entered into ACTS by the district staff.
2. There has been no improvement in the time taken for completing surveys for certification or recertification. It still takes two weeks to complete and report on the surveys.
3. Laptops are not being fully utilized by all surveyors. Some surveyors are first writing the report on paper and then entering it into their laptop. This is a duplication of work.
4. Complaint workload is too high. The target of two surveys a month takes 20 plus days to complete. This leaves only regular and weekend overtime to work on complaints and leads to delays and inefficiencies.
5. Some program managers, supervisors and assistant supervisors lack the proper skills to retrieve timely and pertinent data and reports from SA and ND.
6. New hires are not receiving adequate training to competently complete an investigation in a timely and efficient manner.
7. A disparity exists between HFEN and REHS in terms of wages and responsibilities.

8. HFID headquarters' senior management has a background in environmental health while surveyors are RN's. Surveyors feel that decisions are made without taking their views into account.
9. HFID top management has not made an effort to let the surveyors know that it cares about the job they want the surveyors to do and to succeed.

V. RECOMMENDATIONS

During the course of the current contract the following recommendations should be implemented:

- 14.1. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should develop a process to route all complaints including ERI's to the IT department in Norwalk to be entered in the ACTS system as they are received.
- 14.2. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should form a team to develop a new electronic template to be used by surveyors to input complaints information into ACTS.
- 14.3. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should enhance training of surveyors in the use of laptops.
- 14.4. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should make it mandatory for surveyors, assistant supervisors and supervisors to use laptops during the conduct of surveys by December 31, 2016.
- 14.5. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should ensure that program managers, supervisors, and assistant supervisors should receive adequate training in ASPEN and access to and training on CASPER to enable them to produce timely and informative reports.
- 14.6. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should develop a system to monitor new hire post training needs including compliance with mandatory training requirements and competencies. A post training review process that enables

HFID managers and supervisors to identify when competencies have not been established and refresher training is needed.

- 14.7. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should require a senior Health Facilities Evaluator Nurse to accompany a new hire until the new hire feels comfortable completing surveys competently.
- 14.8. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should hold weekly staff meetings to discuss investigation problems occurring in the field, potential morale issues and any overall concerns that may affect a well-run efficient organization.
- 14.9. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should initiate a study to determine how to reduce the hostilities between Health Facilities Evaluator Nurses and Registered Environmental Health Specialists due to differential in wages and responsibilities.
- 14.10. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should make sure a schedule exists for the Chief and Assistant chief of the Health Facilities Inspection Division to visit each district office at least once a month to determine the immediate needs of that office.
- 14.11. The Department of Health Services, the Department of Public Health, and the Health Facilities Inspection Division should make sure that during each visit of the headquarters' senior management in the Health Facilities Inspection Division to district offices time is set aside for them to discuss with surveyors, on a one-to-one basis, issues regarding the surveyor job.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accord with Penal Code Sections 933.05(a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles County Superior Court

Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Health Facilities Inspection Division:	14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 14.10, 14.11
Los Angeles County Department of Public Health:	14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 14.10, 14.11
Los Angeles County Department of Health Services:	14.1, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 14.10, 14.11

VII. ACRONYMS

ACO	ASPEN Central Office
ACTS	Aspen Complaints Tracking System
ASPEN	Automated Survey and Processing Environment
CASPER	Certification and Survey Provider Enhanced Reporting
CDPH	California Department of Public Health
CGJ	Civil Grand Jury
CMS	Centers for Medicare and Medicaid Services
DHS	Department of Health Services
DPH	Los Angeles County Department of Public Health
ELMS	Electronic Licensing Management System
ERI	Entity Reported Incident
HFCIS	Health Facilities Consumer Information System
HFEN	Health Facilities Evaluator Nurses
HFID	Health Facilities Inspection Division
IJ	Immediate Jeopardy
IT	Information Technology
NHF	Nursing Home Facility
ND	National Database
REHS	Registered Environment Health Specialist
RN	Registered Nurse
SA	State Agency
SMQT	Surveyor Minimum Qualification Test
SNF	Skilled Nursing Facility

VIII. COMMITTEE MEMBERS

Marina LaGarde	Co-chair
Arun Sharan	Co-chair
George Zekan	Co-chair
Judy Goossen Davis	Secretary
John Anthony	
Rita Hall	
Edna McDonald	
Heather Preimesberger	
Stephen Press	

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**THE LOS ANGELES COUNTY
PROBATION DEPARTMENT AND
TECHNOLOGY**

THE LOS ANGELES COUNTY PROBATION DEPARTMENT AND TECHNOLOGY

I. EXECUTIVE SUMMARY

California state statutes passed in the last five years resulted in the number of probationers supervised by the Los Angeles County Probation Department (LACPD) to increase significantly. The population of probationers also continues to increase at about 400 to 500 per month. The department has hired new probation officers to deal with the increase in caseload. This report deals with the status of technology used by the department and seeks to determine if it is sufficient to help the department do its job.

Computer hardware is adequate at present, but software is old and will need to be updated and reworked in the next few years. Although a goal of the department is to have a paperless office, without a change in software 70% of all work will continue to be done on paper.

At this time, the department should issue laptops or tablets, and also smart phones, to probation officers to take to the field with them. This would increase their efficiency and provide a safer environment.

II. BACKGROUND

In 2011, California passed and instituted legislation that called for non-violent, non-serious and non-sex offenders that are released from California prisons to be supervised by county probation officers (California Public Safety Realignment Act of 2011, hereinafter Realignment Act). It also provides that individuals sentenced to non-violent, non-serious and non-sex offenses will serve their sentence in county jails instead of state prison.¹

This new law has significantly increased the probationer population now supervised by the LACPD, which handles 6,800 to 8,000 probationers at any one time. In addition, they enter 400-500 new probationers per month under the Realignment Act.²

In anticipation of the increase in probationers, LACPD hired additional probation officers. This report deals with the technology used at the department and whether it is adequate to deal with the increased work load.

¹ Los Angeles County Probation Department, AB 109 staff and the Realignment Act is codified as Penal Code, section 1170(h). It provides, in part, that: "(5) The court ... may commit the defendant to county jail ... but suspend execution of a ... portion of the term selected in the court's discretion, during which time the defendant shall be supervised by the county probation officer....".

² Interview with Los Angeles County Probation Department, AB109 staff.

A. CURRENT HARDWARE

New office computers have been purchased in the last two years and are reviewed for replacement every two to three years. An adequate number of computers are available for probation officers to use, but in offices that deal with Realignment Act probationers more than one officer may use a computer and sufficient office space is lacking.³

Probation officers that supervise Realignment Act probationers periodically go out in the field to check on these individuals. The officers normally do not have laptops with them, as the issuance of laptops in cars has only recently started. This does not allow officers to write reports immediately after a meeting, but requires them to transcribe notes into a computer back in the office. These officers are unarmed, except for mace, and mostly alone on these visits. In addition, these officers do not carry smart phones and the department phones they do carry require a ten digit entry code before a call can be made, even to 911.⁴

B. CURRENT SOFTWARE

The software currently used by the department is divided between two programs. The first deals with adult probationers and the second deals with juvenile probationers. The software does not allow the user to access the program not set for his/her computer. Therefore, an officer supervising an adult probationer cannot access the potential juvenile probation record of the individual on his computer.⁵

Juvenile software is approximately six years old. Adult software was developed in 1993.⁶

Both programs allow the user to effectively enter and track data concerning probationers, but such tracking is time consuming as many separate databases need to be accessed. A user cannot directly write reports to the state and other county agencies and cannot easily get data from other agencies. As a result, about 70% of the work performed by probation officers is on paper, although having a paperless office is a goal of the department.

While the software currently in use adequately allows the probation officers to supervise the probationers assigned to them, this condition will deteriorate in the future.⁷ A new software system that combines adult and juvenile records and can communicate with state and other county agencies should be sought.

³ Interview with Los Angeles County Probation Officer

⁴ Interview with Los Angeles County Probation Department, AB 109 staff

⁵ Interview with Probation Department Information staff

⁶ Ibid.

⁷ Ibid.

III. METHODS AND PROCEDURES

The Civil Grand Jury (CGJ) interviewed the Probation Officer of the County of Los Angeles, the Probation Department Information Office staff and supervisors and probation officers at offices dealing with adults and Realignment Act probationers. Such interviews dealt with how the current technology at the department affected the job of these officers.

IV. FINDINGS

1. Probation officers who go out in the field to supervise probationers are not normally provided laptop computers or tablets to take with them. Notes are handwritten and entered into a computer later in the office. Also, without a laptop or tablet the probation officer going into the field cannot check for other probationers and any potential criminal activity in the area.
2. A probation officer dealing with Realignment Act probationers may share an office computer with another probation officer.
3. The cell phones issued by the Probation Department require a ten digit code to be entered before use, even to dial 911.
4. Sufficient office space and desks are not available for probation officers dealing with Realignment Act probationers.

V. RECOMMENDATIONS

- 15.1. Los Angeles County and Los Angeles County Probation Department should ensure that laptop computers or tablets are available to probation officers going into the field.
- 15.2. Los Angeles County and Los Angeles County Probation Department should ensure that probation officers dealing with California Public Safety Realignment Act of 2011 probationers not have to share an office computer with another officer.
- 15.3. Los Angeles County and Los Angeles County Probation Department should issue cell phones to probation officers should allow dialing 911 without a ten digit code being entered first.

15.4. Los Angeles County and Los Angeles County Probation Department should initiate a study to determine the cost and availability of software that is available or could be developed that would allow probation officers to access both juvenile and adult probationers as well as communicate with other county and state agencies.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses to recommendations shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accord with Penal Code, Sections 933.05(a) and (b).

All responses to the recommendations of the 2015-2016 CGJ must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Board of Supervisors: 15.1 thru 15.4

Los Angeles County Probation Department: 15.1 thru 15.4

VII. ACRONYMS

CGJ Civil Grand Jury

LACPD Los Angeles County Probation Department

VIII. COMMITTEE MEMBER

Stephen Press Co-chair

Lorraine Stark Co-chair



**TRYING TO KEEP
“MOM AND POP” AFLOAT**

TRYING TO KEEP “MOM AND POP” AFLOAT

I. EXECUTIVE SUMMARY

According to the U.S. Census Bureau, “Employer Firms” with twenty or fewer employees make up 89.9% of all businesses in the United States. From 2009 to 2013 small businesses accounted for 60% of all new jobs.¹ This means that small businesses are a significant resource to promote and maintain. In line with small businesses being a progenitor of economic energy, the Los Angeles County Metropolitan Transportation Authority (Metro) has established a Business Interruption Fund (BIF) to reduce the effects of light rail construction on small “Mom and Pop” businesses along the light rail corridors.²

The 2015-2016 Los Angeles County Civil Grand Jury (CGJ) commissioned G-Cap Services Audit firm to review the efficacy of the Metro BIF program as applied to the Crenshaw/LAX transit corridor and to review other similar programs to determine ways to improve the BIF program.

The review and assessment examined the processes and practices undertaken to notify local merchants, possibly impacted by the Crenshaw/LAX transit line construction, about available grants, eligibility requirements to receive such grants, and the administration of the program.

The work performed included the following elements:

- collection and review of existing BIF related documents,
- development of a merchant survey instrument,
- conducting the survey using door-to-door, email, and mail approaches,
- evaluating the survey results,
- assessing and comparing other programs with the Crenshaw/LAX BIF, and
- developing findings and recommendations.

Survey results draw attention to the fact that most merchants believe the Crenshaw/LAX transit line construction has greatly impacted their businesses. Almost 40% of merchants surveyed have not applied for grant assistance despite outreach and marketing efforts conducted by the BIF administrator. Further survey results found that although grant assistance is the overwhelming element merchants found to be most helpful (84%), merchants also support supplementing the program to add more signage,

¹ “Small Business Facts and Data,” Small Business and Entrepreneurship Council (January 2012). [www.sbecouncil.org/facts and data](http://www.sbecouncil.org/facts-and-data)

² http://www.metrobsc.net/business_interruption_fund (generally, the Business Interruption Fund)(hereafter “BIF Project Information”). https://www.metro.net/projects/crenshaw_corridor/ (specifically, the Crenshaw/LAX Transit Corridor Project).

to increase marketing to notify the public that businesses are open, and to provide alternate parking options.

Many merchants believe the eligibility requirement that a business must be adjacent to construction should be expanded to allow merchants in the immediate construction area to also qualify for grants.

Most merchants (58%) were unaware of the Business Solutions Center (BSC) and over three quarters of the merchants surveyed had not used the BSC. The BSC is a separate program implemented to provide technical and business assistance to merchants in the Crenshaw/LAX transit corridor area.

The report evaluates the survey results and provides a comparison of this program with other similar transit projects and concludes that the Crenshaw/LAX BIF is an innovative way that provides needed funds to small businesses financially impacted by transit line construction. The program has been effectively administered, but, according to most survey respondents and comparable agency analysis, some refinements to BIF should be considered to further improve its offerings.

Key recommendations are as follows.

- The program should expand its marketing and collaboration with the BSC to provide services that directly relate to assisting merchants complete grant applications. One area that should specifically be addressed is the ability for merchants to prepare financial records that satisfy grant eligibility criteria.
- Additional measures should be considered to address traffic and parking impacts such as expanding the discounts provided to prospective customers, providing free bus rides to business locations, subsidizing discounts, and providing alternate customer parking with complimentary shuttle bus services.
- Revisions to the program's eligibility requirements should allow for businesses that have less than two years residency in the Crenshaw/LAX transit corridor to participate in the program.
- The program should be revised to include businesses not directly adjacent to the construction area.
- Some relocation costs should be reimbursed by the program to offset merchant expenses resulting from the construction impact.

II. BACKGROUND

BIF is a pilot program designed by Metro to provide financial assistance to small “Mom and Pop” businesses that are being impacted by light rail construction of the Crenshaw/LAX transit line, as well as two other Metro light rail projects.

A. Crenshaw/LAX Transit Project

Construction of the \$2.058 billion Crenshaw/LAX transit project began on January 21, 2014, and is expected to end in 2019. The Crenshaw/LAX transit project will extend 8.5 miles of light rail from the existing Metro Exposition Line at Crenshaw and Exposition Boulevards to the Metro Green Line near Los Angeles International Airport (LAX). By the end of the project, there will be eight new Metro stations throughout the Crenshaw/LAX corridor. Map on page 309 is taken from the Metro website with permission.

The eight new stations will be located at:

1. Exposition/Crenshaw
2. Crenshaw/Martin Luther King Jr.
3. Leimert Park (Crenshaw/Vernon)
4. Hyde Park (Crenshaw/Slauson)
5. Fairview Heights (Florence/West)
6. Downtown Inglewood (Florence/La Brea)
7. Westchester/Veterans (Florence/Hindry)
8. Aviation/Century

Construction consists of the following aerial, at-grade, and below-grade segments:

Aerial Segments:

- Across La Brea Ave
- Across La Cienega Blvd/405 Freeway
- Across Manchester Ave
- Across Century Blvd
- Across 111th St/Imperial Hwy

Below-grade Segments:

- From Exposition Blvd to Brynhurst Ave
- From 59th Pl. to 67th St.
- Adjacent to the Los Angeles International Airport South Runways

At-grade Segments:

- From Leimert Park station to Hyde Park station
- From Fairview Heights station to Downtown Inglewood station
- Along Florence from Beach to the 405 Freeway
- Along Aviation between Hillcrest and Arbor Vitae

Crenshaw/LAX Transit Corridor



B. Overview Of BIF

Metro launched BIF on February 15, 2015, as a pilot program designed to provide financial assistance to small “Mom and Pop” businesses located along the Crenshaw/LAX transit line, the Little Tokyo area along the Regional Connector and Phase I of the Purple Line Extension that are impacted by transit rail construction. Metro’s BIF program outreach materials defined “Mom and Pop” businesses as for-profit, or non-profit non-religious businesses that have 25 or fewer employees. This review only focused on the merchants along the Crenshaw/LAX transit line.³

1. Administrator - Pacific Coast Regional Small Business Development Corporation:

The administration of BIF has been contracted out to Pacific Coast Regional (PCR), which was awarded a two year contract with two one-year options in November 2014.⁴ Under the guidance of Metro, PCR outreaches to potentially eligible businesses, and oversees the application process, which includes processing grant applications, reviewing eligibility of applicants, selecting recipients, and disbursing funds. Applicants who are not approved for grant assistance under the BIF are referred to the BSC, which provides technical assistance and case management services to affected businesses in highly impacted construction areas of the Crenshaw/LAX transit project.

2. Financial assistance offered

The BIF offers financial assistance up to a maximum of \$50,000 annually, not to exceed 60% of the annual business revenue loss per fund recipient. A business can apply multiple times for BIF assistance, as long as the total amount does not exceed the stated annual maximums. The types of expenses covered by BIF grants include rent, mortgage, utilities, payroll, insurance, and other operating expenses deemed acceptable by the program administrator.⁵

3. Eligibility requirements

To be eligible for BIF assistance, a business must be located adjacent to the rail corridor, or directly impacted by construction of one of the referenced rail lines. Additional eligibility requirements include the following items:

- have 25 or fewer employees,
- have a continuous operating history of at least two years immediately adjacent to the construction area,
- be in good standing with all local, state and federal taxing and licensing authorities, and

³ See BIF Project Information, supra.

⁴ Ibid.

⁵ Ibid.

- be able to produce financial records demonstrating a loss of business revenue directly related to the period of construction disruption.

Commercial property owners are also eligible for BIF grant assistance. They are subject to the same application process, but are required to submit property titles and deeds. BIF does not accept commercial property owner applications when the property was already unoccupied at the start of the construction period. A commercial property owner that is a small business has dual eligibility and is allowed to apply as two separate entities.⁶

There are businesses that are not eligible to receive BIF assistance, regardless of whether they meet the eligibility criteria.⁷ These businesses are:

- non-profit businesses engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs,
- businesses generating over 60% of revenues from the sale of alcoholic beverages,
- businesses generating revenues from the sale of marijuana,
- businesses with any products or services of a sexual nature representing over 50% of their revenue,
- national or regional chain retailers or outlets unless operated under a franchise agreement and which otherwise meet all eligibility criteria, and
- owners of residential property or properties.

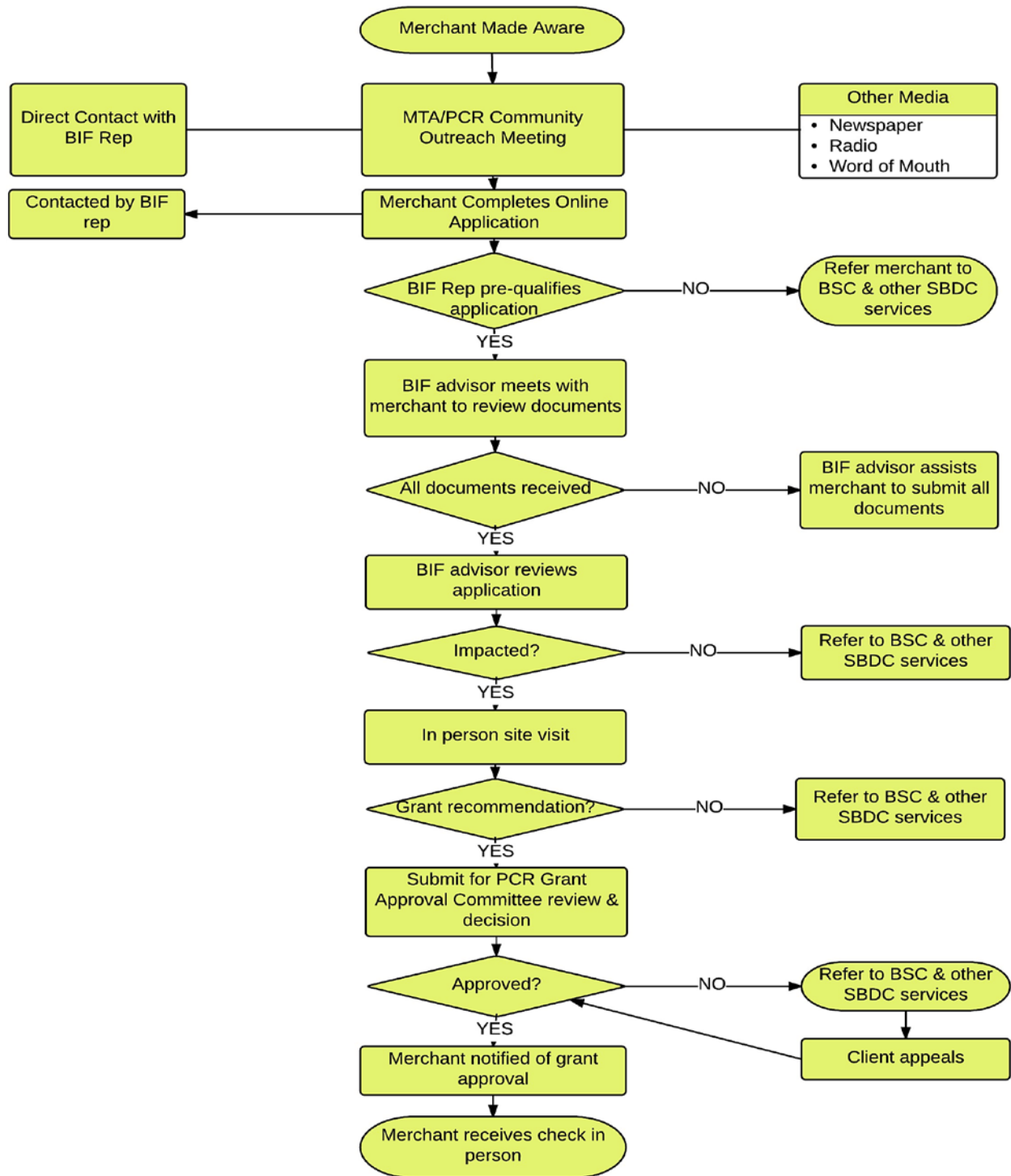
⁶ Ibid.

⁷ Ibid.

4. BIF application process

Exhibit 1, created by G-CAP Services, shows the steps of the application process. According to Frequently Asked Questions (FAQ), there is a target turnaround of nine business days from submittal of all requested financial documents to approved recipients receiving their grant payments.

Exhibit 1 – Application Process



The following is a summary of required tasks as outlined by Metro, as outlined on the Metro website, to establish eligibility for BIF grants.

Application Process

Application Submittal: Merchant submits online application and as much of the required documentation as possible.

Documentation required includes:

(1) Federal Tax Returns (Business & Personal) for most recent tax year; (2) Payroll Tax Returns; (3) Verification of Good Standing; (4) Sales Tax Reports; (5) Rental/Lease agreements for a minimum of last two years; (6) Current Property Titles and Deeds (property owner only); (7) Tax-exempt status verification (non-profit only); (8) three-months of bank statements covering construction period and the comparable period one year prior; (9) Copies of delinquent bills or debt payments due; (10) Any additional records needed to determine eligibility.

Pre-qualification: Applicants must be pre-qualified in order to participate in the BIF program. The BIF Representative reviews the application to determine if the merchant pre-qualifies. The BIF Representative contacts the applicant and informs them of whether they pre-qualify or not. If they do not, they are referred to the BSC for business technical assistance.

BIF Advisor Meeting & Review: If the applicant pre-qualifies, a meeting is scheduled with a BIF Advisor to go over required documents and information needed to complete the application.

Impact Verification: Once the complete application is submitted with all required supporting documents, the BIF Advisor assesses whether impact (of construction) is demonstrated. This process is followed by a site visit to the applicant's business.

BIF Grant Recommendation: the BIF Advisor then calculates a recommended grant amount and submits a Grant Recommendation Form to the BIF Review Committee. The grant amount is calculated based on a demonstrated loss of revenue as a result of Crenshaw/LAX transit project construction. Award amounts are limited to a maximum annual amount of the lesser of 60% of the business' total revenue loss, or \$50,000.

BIF Grant Award: Awards are distributed by PCR to the grantee with a target turn-around of nine business days from submittal of the application and required documents.

Appeals: A business that is denied BIF grant assistance can contest the decision by submitting a written explanation for reconsideration (plus supporting documentation). The BIF Program Manager must conduct a review and respond within 10 business days of receipt of the appeal.

5. Grants offered to date

According to the December 2015 BIF Quarterly Status Report, 194 BIF applications were received from March 2015 through December 2015 for the Crenshaw/LAX corridor. Exhibit 2, created by G-CAP Services, is the breakdown per month of applications submitted, grants awarded and monthly grant award totals. \$1,612,941 in BIF grants were awarded to qualifying merchants for the Crenshaw/LAX portion of the program. Some qualifying merchants were awarded multiple grants.

Exhibit 2 – Application and Grant Data Crenshaw/LAX Merchants

MONTH	# OF APPLICATIONS RECEIVED	# OF GRANTS AWARDED*	AMOUNT AWARDED*
March 2015	37	4	66,310
April 2015	29	6	111,239
May 2015	18	7	75,584
June 2015	22	18	435,549
July 2015	15	15	270,195
August 2015	9	5	57,059
September 2015	3	8	88,328
October 2015	19	10	153,215
November 2015	33	6	176,331
December 2015	9	13	179,131
TOTAL	194	92	\$1,612,941

*Source: Data is from the BIF Grant Award Matrix, Attachment C to the BIF Quarterly Status Report*⁸

According to the BIF Grant Award Matrix, by February 29, 2016, \$1,914,964 in grants were awarded and paid to qualifying merchants.

Of the total applications submitted under the BIF pilot program, two applications were declined, 57 were not eligible applications, and 57 were incomplete applications pending submittal of additional financial documents. These numbers include participation from the other two rail projects.

C. Crenshaw Corridor Merchants

The Crenshaw/LAX Transit Project is an 8.5-mile light rail line that runs between the Expo Line on Exposition Boulevard and the Metro Green Line's Aviation/LAX station. Construction began in January of 2014 and is expected to be completed in 2019. The "Crenshaw Corridor" refers to the 2.6-mile segment within the Crenshaw/LAX Transit

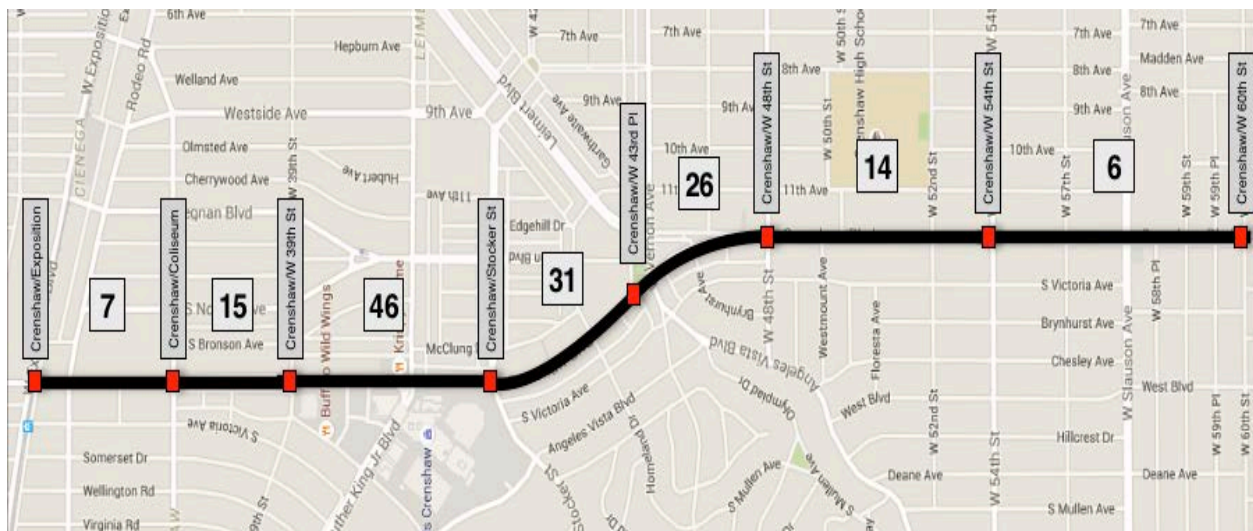
⁸ Metro Pilot Business Interruption Fund Quarterly Status Report, October 1, 2015-December 31, 2015, Attachment C-Grant Award Matrix. Prepared by Pacific Coast Regional Small Business Development Corporation.

Project boundaries currently under construction between Exposition Boulevard and West 60th Street.

1. Geographical distribution of merchants

Merchants contacted within the Crenshaw Corridor are shown in Exhibit 3, which was created by G-CAP Services. The map is oriented to show eight intersections, indicated as red squares, along the Crenshaw Corridor from Exposition, on the left, to West 60th Street, on the right. The numbers between each intersection represent the number of merchants contacted.

Exhibit 3 - Map of Crenshaw Corridor Area Contacted Merchants



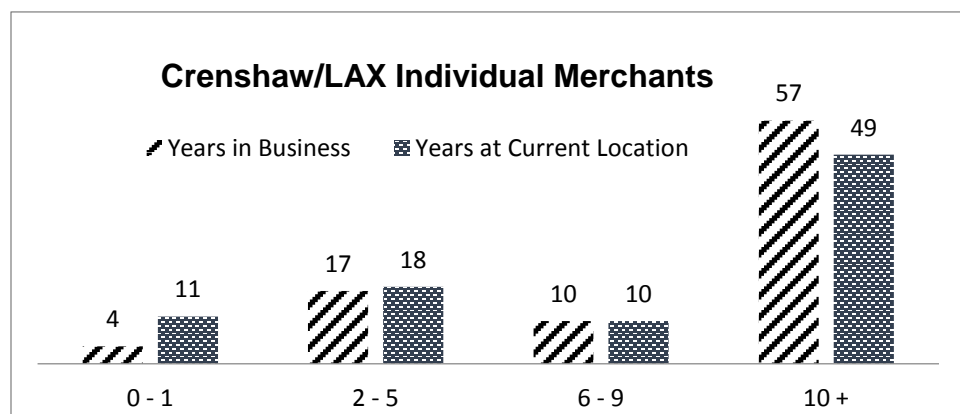
Source: Data extrapolated from G-CAP Services Metro Survey. Map is not to scale.

North ← → South

2. Profile of merchants surveyed

The merchants who completed surveys were almost exclusively (95%) in business for more than two years, shown in Exhibit 4, which was created by G-CAP Services. Over half (55%) of the same merchants have been in operation at their current location for over ten years, while 11% have been in operation between six and nine years, 21% between two and five years and 13% have been in business at their current location for less than two years.

Exhibit 4 - Number of total years in business and at current location



Source: Data extrapolated from G-CAP Metro Survey.

Out of the 88 merchants who completed the survey, 78 responded that they have two years of continuous operation in the affected Crenshaw Corridor.

- Only 10% responded that they have less than two years of continuous operation and one chose not to respond.
- Ninety-six percent of surveyed merchants have 25 or fewer employees.
- Three percent have more than 25 employees.
- Most merchants indicated that they were current on their business records (91%) and were able to produce relevant financial records (90%).

III. METHODS & PROCEDURES

The CGJ commissioned G-CAP Services to conduct an “assessment and survey of the Crenshaw Corridor Business Interruption Fund.”

In March 2016, a survey of merchants located along the Crenshaw/LAX transit project’s construction corridor was conducted. The objective of this survey was to measure the efficacy of BIF. This survey was primarily conducted in-person at business locations along the corridor; however, some surveys were conducted on-line and by telephone. In addition, the administration of BIF was assessed by collecting information, documents, and data from Metro and PCR, the consultant who helps administer BIF pilot. Finally, a best practices review was conducted to compare the BIF to similar types of business interruption fund programs implemented by transportation agencies throughout the country.

A. BIF Assessment

1. Data collection from Metro, PCR and other public sources

Prior to conducting the merchant survey, a meeting was held with the designated Metro representative to discuss the survey objectives and collect information needed to proceed. A meeting was also held with PCR representatives. In addition to these meetings, a document request was submitted to gather all related Metro and PCR BIF program documents.

Information requested and gathered included:

- a graphic overview, or flowchart, of the BIF application process,
- criteria for eligible merchants,
- determination for business interruption funding damage quantification
- detailed description of the application review process, including appeal process,
- list of merchants contacted and status,
- number of applications that have been received, approved, denied, and pending (totals provided for applications received, not eligible and pending included all rail projects under BIF),
- list of grant awards made under Crenshaw/LAX transit corridor BIF,
- written inquiries, concerns from merchants regarding the Crenshaw/LAX corridor construction,
- Metro Board Action initiating and guiding PCR's work on BIF (September 18, 2014),
- Business Interruption Administration Contract (Modification No. 1), and
- PCR Status and Quarterly Reports.

Information requested and not provided included:

- merchant files with key information, including merchant profile, each contact with date, persons, scope, results, and next steps, and
- a list of all Crenshaw/LAX corridor merchants with profile information including owners, managers, street address, phone numbers, email addresses, websites.

2. Assessment and analysis of BIF data

After gathering all BIF program information, the data and documents collected were analyzed. This included analyzing the list of businesses contacted to and merchants awarded grants by PCR, as well as researching key missing data such as phone numbers, duplicates, and inaccurate addresses. Using this information, a “best available” street mailing and phone contact list for merchants along the Crenshaw/LAX corridor was developed. An email database of merchants in the Crenshaw/LAX corridor, needed to complete an email notification to merchants, was not available. Since merchant email addresses were not available, there was no opportunity to notify merchants about the forthcoming Merchant Survey.

The information gathered from PCR and Metro was used to:

- fully understand BIF outreach, application, and award process,
- develop merchant address and phone lists,
- develop merchant survey questions,
- develop current and accurate outreach and application numbers, and
- identify key areas for the best practices review.

3. Comparison agency methodology

During the review, evaluations of Metro’s BIF program and other business interruption assistance programs on transit projects around the country were performed. While the survey only focused on business interruption funding issues, the best practices review included complimentary business assistance services utilized to help merchants offset construction impacts. After conducting a preliminary comparison of several similar programs throughout the country, the best practices review was narrowed down to four comparable agencies.

The four agencies with comparable business interruption assistance programs selected for the best practices review were:

- Houston METRO,
- Metropolitan Council (Minneapolis),
- TRIMET (Portland), and
- Sound Transit (Seattle).

Next, key information offered by these business interruption assistance programs was gathered and analyzed. Afterwards, the four transportation agencies were contacted to

schedule an interview, or to provide a list of questions about their business interruption assistance programs. Two direct emails were sent and one follow-up call was made to representatives from these agencies to solicit information for the best practices review. The Minneapolis Metropolitan Council provided additional information about their program. The other three agencies contacted did not directly respond to emails or calls; however, publicly available documents were collected to complete the review. Such documents include information from the transportation agency websites, business assistance program materials, reports on agency conducted surveys, available studies, and program resolutions.

Using the information gathered, comparable program elements were summarized in the following categories listed in Exhibit 5, which was created by G-CAP Services. Detailed comparisons are provided in the Findings in part IV, comparable program elements from these agencies are summarized in Exhibit 6, which was created by G-CAP Services and based on its research.

Exhibit 5 – Types of Assistance Offered Under Business Interruption Assistance Programs

<p><u>BUSINESS LOSS FUNDING ASSISTANCE</u></p> <p>Grants and advances/loans specifically designed to offset financial losses due to construction impact.</p>
<p><u>DIRECT MARKETING ASSISTANCE</u></p> <p>Signage, coupon books, “buy local business campaigns”</p>
<p><u>TECHNICAL ASSISTANCE</u></p> <p>Business consulting and workshops provided</p>
<p><u>RELOCATION SERVICES</u></p> <p>Assistance provided to businesses that must relocate as a direct result of the impact of construction.</p>
<p><u>ALTERNATIVE SOLUTIONS</u></p> <p>Strategies and solutions that do not fall under the above general categories.</p>

Source: Data collected by G-CAP Services during research comparing four agencies with comparable business interruption programs.

Exhibit 6 – Comparable Business Interruption Assistance Program

CITY/AGENCY	PROJECT	PROGRAM FUND TOTAL	BUSINESS FUNDING			BUSINESS ASSISTANCE			RELOCATION SERVICES	ALTERNATIVE SOLUTIONS	DESCRIPTION OF BUSINESS ASSISTANCE PROVIDED
			BUSINESS GRANTS	BUSINESS LOANS	MARKETING ASSISTANCE	TECHNICAL ASSISTANCE					
Los Angeles, CA LA METRO	Crenshaw/LAX Transit 8.5 Mile Route 8 Stations \$2.058 Billion	\$10 Million Annually	X		X	X				Business Interruption Fund (grant program) established small businesses through the light rail construction period; Technical assistance, including marketing, provided via the Business Solution Center. Parking mitigation efforts made. Eat Shop Play website to promote merchants along the corridor.	
Houston, TX HOUSTON METRO	METRO Rail Expansion Project 15 miles 24 stations \$1.23 Billion	\$5 Million	X	X	X	X				Business Assistance Fund (grant program) designed specifically to help small businesses through the light rail construction period. METRO partnership w SCORE to consult on a variety of business-building techniques. "Rally around the Rails" campaign, designed to promote the businesses while construction is under way. Reviewed by Metro for purposes of developing their BIF.	
Minneapolis, MN METROPOLITAN COUNCIL	Metro Green Line (Central Corridor Light Rail) 11 Mile Route 18 Stations \$957 Million			X	X	X			Progressive Dinner Contractor Incentives Cooperative Advertising	Small Business Forgivable Loan Program. Funded a \$1.2 million marketing campaign that includes free bus side ads and billboards for corridor businesses and print and online business directories. Support services available through the cities of St. Paul and Minneapolis. Marketing programs managed by the local chambers and business associations. Access to business consultants through community development agencies. Conducted extensive survey of businesses along construction corridor. Reviewed by Metro for Model Construction Mitigation/Relations Program.	
Portland, OR TRIMET	Interstate Max Yellow Line 5.8 mile extension \$350 Million			X	X	X		X	Lunch Bus Program	The campaign included advertisements, direct mail, promotions, financial assistance, technical workshops for the businesses and a "Lunch Bus" that brought 14,000 people to interstate restaurants. Provided temporary business signage during construction. Provides relocation services, including assistance with moving expenses.	
Seattle, WA SOUND TRANSIT	Central Link Light Rail Transit Corridor	\$50 Million	X	X	X	X		X	Lunch Bus Program Business Kiosks	Business Interruption payments were made to compensate businesses along the corridor. Small business loans, advances were provided via long-term below market rate financing under Grow Seattle fund. Provided technical assistance. Provided marketing assistance and temporary signage during construction. Provided relocation assistance. Reviewed by Metro for Model Construction Mitigation/Relations Program.	

B. Merchant Survey Methodology

Survey coverage was an important component for obtaining the most accurate and complete merchant response information. The merchant survey methodology for collecting and reporting data was developed with the intention to remain as neutral as possible to remove survey bias. This included a thorough review of survey wording, question design and survey structure.

1. Questionnaire delivery

Every effort was made to contact all merchants within the Crenshaw Corridor and include their responses within this report. Merchants were contacted in three different ways: field survey (168), telephone (141), email (17) and mailer with a survey link (437). A shortened URL link was provided in the emailed and mailed survey requests and to merchants who preferred to complete the survey online at a later date. The response rate from in-person field surveys was 94.3% and the remaining 5.7% of responses came from telephone/on-line surveys.

Considerable time was spent recruiting and training interviewers in advance of data collection. The training was supplemented by an eight-page step-by-step briefing document that served as the interviewer guide/handbook. A unique identification number, called a Questionnaire Number (Q#), was used to readily identify which interviewer conducted the interview, when the interview was completed and in what zone the merchant is located.

The Crenshaw Corridor was divided into seven zones to better organize and disperse the interviewers and avoid multiple contacts of a single merchant. The seven zones designated appear in Exhibit 7, created by G-CAP Services, along with the estimated number of merchants in each.

Exhibit 7– Survey Fieldwork Zones

<i>Zone #</i>	<i>North Border Street</i>	<i>South Border Street</i>	<i>Est. # Merchants</i>
<i>Zone 1</i>	<i>Exposition Blvd</i>	<i>Coliseum Street</i>	<i>11</i>
<i>Zone 2</i>	<i>Coliseum Street</i>	<i>West 39th Street</i>	<i>61</i>
<i>Zone 3</i>	<i>West 39th Street</i>	<i>Stocker Street</i>	<i>66</i>
<i>Zone 4</i>	<i>Stocker Street</i>	<i>West 43rd Place</i>	<i>49</i>
<i>Zone 5</i>	<i>West 43rd Place</i>	<i>West 48th Street</i>	<i>44</i>
<i>Zone 6</i>	<i>West 48th Street</i>	<i>West 54th Street</i>	<i>33</i>
<i>Zone 7</i>	<i>West 54th Street</i>	<i>West 60th Street</i>	<i>35</i>
		<i>Total</i>	<i>299</i>

Source: Data extrapolated from G-CAP Services Metro Survey

IV. FINDINGS

A. Administration Of BIF

1. Nine subject questions/areas of interest

Question 1: How many merchants have been contacted?

According to Metro, the transportation agency and its contractor, PCR “perform ongoing outreach to small businesses in the Crenshaw/LAX transit corridor. Small “Mom and Pop businesses that may be directly impacted by Metro construction activity, and are potentially eligible for BIF based on BIF Administrative Guidelines, are contacted by PCR through direct canvassing/outreach approach in addition to other methods.”

A document titled “Crenshaw/LAX Business Canvass List date 2 29 16” was provided. The data contained within was totaled and duplicates were removed. Two hundred one merchants were contacted along the Crenshaw/LAX corridor. Multiple touch points were made to those merchants, with some being contacted as many as 10 times.

Source Data: Metro/PCR – *Filename: “Crenshaw/LAX Business Canvass List date 2 29 16”*

Question 2: How many merchants have applied for assistance?

According to the canvass list provided by Metro, 201 merchants were contacted through canvassing efforts. Of the 201 merchants listed in the canvass list, 133 merchants have applied.

Source Data: Metro/PCR – *Filename: “Crenshaw/LAX Business Canvass List date 2 29 16”*

Question 3: How many applications have been processed?

There were 216 applications processed under the entire BIF program through December 2015. These include applications approved, deemed not eligible, and denied. Information providing the number of applications that have been processed for Crenshaw/LAX corridor merchants can be found in the PCR METRO BIF Quarterly Report from December 2015. According to this report, 194 applications were received from Crenshaw/LAX corridor merchants as of December 2015.

Applications Processed as of December 31, 2015:

- total number of applications received under the entire BIF: 216,
- total number of applications received for Crenshaw/LAX: 194,
- total number of applications approved under the entire BIF: 100,
- total number of applications approved for Crenshaw/LAX: 92,

- total number of applications deemed not eligible under the entire BIF: 57,
- total number of applications deemed not eligible for Crenshaw/LAX: 52, and
- total number of applications denied: 2.

It is noted that online submission is defined as completing all questions on the application form and pressing submit.

Source Data: Metro/PCR - BIF Quarterly Report from December 2015

Question 4: How many merchants have received grants?

According to the BIF Grant Awards Matrix for Crenshaw/LAX provided by Metro, a total of 92 grants have been awarded through the end of December 2015. Of these grants, 68 unique businesses have received grants, with 20 businesses receiving multiple grants. The total amount of grant payments made is \$1,612,941.

Source Data: Metro/PCR – “BIF Grant Awards Matrix 02 29 16”

Question 5: How many merchants have been denied?

Applications that are not approved under BIF are classified under two categories: (a) applications deemed not eligible, and (b) applications denied. Not eligible is defined as not meeting the basic eligibility criteria upon submission of application.

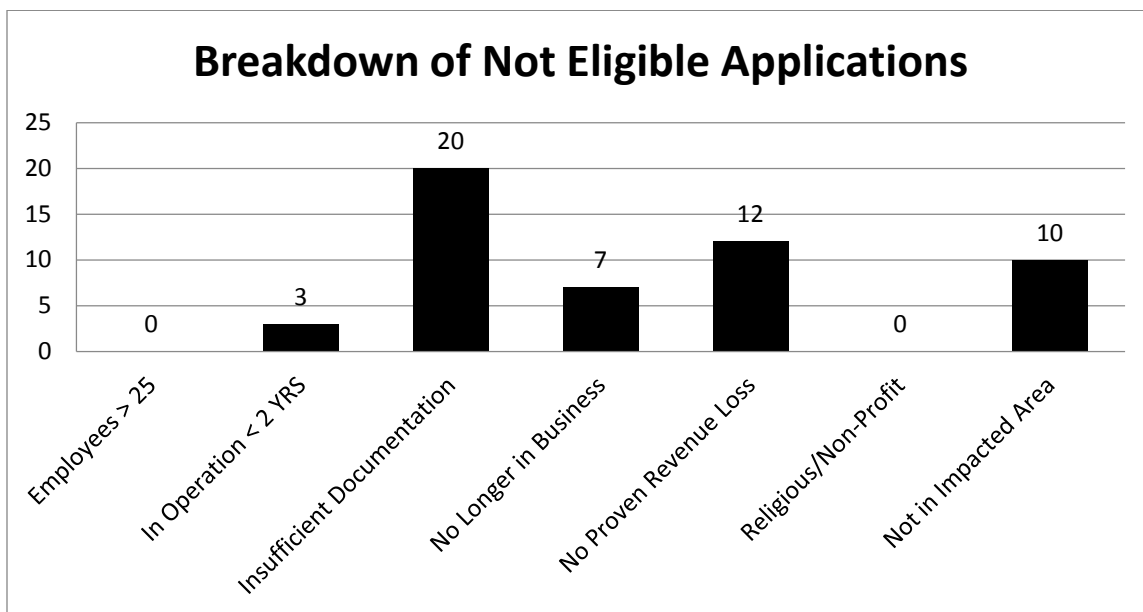
As of the end of December 2015:

- BIF applications deemed not eligible: 57, and
- BIF applications denied: 2.

This total is for the entire BIF pilot program and includes the other two rail projects under BIF.

Exhibit 8, created by G-CAP Services, shows a breakdown of not eligible applications received and why they were deemed not eligible. The most common reason applicants were denied was due to insufficient documentation.

Exhibit 8 – Breakdown of Not Eligible Applications



Source: Data extrapolated from "Metro/PCR – Quarterly Report December 2015"

Question 6: How many merchants are waiting to receive a grant?

The BIF Quarterly Report from December 2015 states that the number of BIF applications pending financial documents is 57.

The amounts provided represent the total number of applications submitted under BIF and includes the other two rail projects.

Source Data: Metro/PCR – "BIF Quarterly Report from December 2015"

Question 7: How long did the BIF application process take?

Using the merchant survey, the effort and length of time it took to complete key steps in the application process was estimated. The key steps reviewed were the amount of time it took to complete the BIF application, the amount of time it took for a BIF representative to contact the merchant once they submitted a complete application, and the amount of time it took from submittal of a complete application to receiving a final ruling. The results are provided below.

- The average amount of time it took to complete the application is: 11 hours.
- The average number of discussions with BIF grant liaison is: 5.
- The average number of days from submittal of complete application to first contact by BIF representative is: 8 days.
- The number of days from submittal of a complete application to receiving final ruling varied with most respondents stating that it took more than 15 days.

Question 8: Is the BIF application process user friendly?

A question included within the merchant survey asked merchants to rate the ease of the application process. The results, shown in Exhibit 9 which created by G-CAP Services, indicate that there were mixed feelings about the application process, with 24.4% saying that it was excellent and another 24.4% saying that it was poor.

Exhibit 9

EASE OF APPLICATION PROCESS									
	Poor			Neutral				Excellent	
Rating	1	2	3	4	5	6	7	8	9
% of Responses	24.4%	2.4%	2.4%	9.8%	19.5%	4.9%	7.3%	4.9%	24.4%
# of Response	10	1	1	4	8	2	3	2	10

Source: Data extrapolated from Metro/PCR Report – Filename: "BIF Grant Awards Matrix 02 29 16"

Question 9: If a merchant was contacted and did not apply, what was the reason for not applying?

Why haven't you applied for grant assistance? Select all that apply. If you believe your business doesn't qualify, explain why not in the comment field.

	Number of Response(s)	Response Ratio
Do not know how to apply	10	32.3%
Do not believe my business qualifies	8	25.8%
Intend to apply but have not yet	8	25.8%
Do not have the required records	3	9.7%
Do not have the time	1	3.2%
Do not need the money	1	3.2%
Total	31	100%

Source Data: G-CAP Services Merchant Survey

2. Current practices and comparable business loss mitigation programs

During the review of comparable business loss mitigation programs implemented by other transportation agencies during the construction of rail projects, assistance offered in the following areas were compared.

- Monetary Assistance: Grants and advances/loans specifically designed to offset financial losses due to construction impact.
- Direct Marketing Assistance: Signage, coupon books, buys local business campaigns.
- Technical Assistance: Business consulting and workshops provided.
- Relocation Services: Assistance provided to businesses that must relocate as a direct result of the impact of construction.
- Alternative Solutions: Strategies and solutions that do not fall under the above general categories.

Exhibit 10, created by G-CAP Services, shows each agency offered a unique set of assistance to impacted merchants. In the following sections, assistance offered by type was compared by G-CAP Services.

Exhibit 10

CITY/AGENCY	PROJECT	USES OWN FUNDING	GRANTS	LOANS	DIRECT MARKETING	TECHNICAL	RELOCATION SERVICES	ALTERNATIVE SOLUTIONS
Los Angeles, CA LA METRO	Crenshaw/LAX Transit 8.5 Mile Route 8 Stations \$2.058 Billion		X		X	X		
Houston, TX HOUSTON METRO	METRO Rail Expansion 15 miles 24 stations \$1.23 Billion	X	X	X Interest Free	X	X		
Minneapolis, MN METROPOLITAN COUNCIL	Metro Green Line (Central Corridor Light Rail) 11 Mile Route 18 Stations \$957 Million			X Interest-Free Forgivable	X	X		
Portland, OR TRIMET	Interstate Max Yellow Line 5.8 mile Extension \$350 Million			X	X	X	X	Lunch Bus Program
Seattle, WA SOUND TRANSIT	Central Link Light Rail Transit Corridor		X	X Below market rate	X	X	X	

Exhibit 11: Eligibility Criteria of Comparable Programs

ELIGIBILITY CRITERIA	
LA METRO	HOUSTON METRO
<p><u>ELIGIBILITY</u></p> <p>In order to be eligible for BIF assistance, a business must be located adjacent to the rail corridor, or directly impacted by construction of one of the referenced rail lines. In addition to this, qualifying businesses must:</p> <ul style="list-style-type: none"> • Have 25 or fewer employees • Have a continuous operating history of at least 2 years immediately adjacent to the construction area • Be in good standing with all local, state and federal taxing and licensing authorities • Be able to produce financial records demonstrating a loss of business revenue directly related to the period of construction disruption 	<p><u>ELIGIBILITY</u></p> <p>To qualify for Houston METRO’s Business Assistance Fund, a business must be located directly on one of the light rail lines currently under construction and meet the requirements of a “small business.”</p> <p>To be eligible, you must:</p> <ul style="list-style-type: none"> • Run a for-profit business • Be in good standing with local, state and federal tax requirements • Generate less than \$1 million in revenue • Have 20 employees or less <p>The Business Assistance Fund is only available to those affected by the light rail expansion project.</p>

Source: Data collected by G-CAP Services during research comparing four agencies with comparable business interruption programs. Chart created by G-CAP Services.

Reviews of the financial assistance offered by other agencies that offered business loss mitigation programs during the construction of light rail projects were conducted. Varying levels of assistance are offered, with Minneapolis Metropolitan Council and Seattle Sound Transit offering the most options, as shown in Exhibits 12-16, which were each created by G-CAP Services using data collected during research comparing four agencies with comparable business interruption programs.

Exhibit 12: Monetary Assistance Offered by Comparable Programs

BUSINESS LOSS FUNDING			
	GRANTS	LOANS	DESCRIPTION OF MONETARY ASSISTANCE PROVIDED
Los Angeles, CA LA METRO	X		<ul style="list-style-type: none"> • LA METRO designates \$10 million annually to be used for the implementation of the Business Interruption Fund (BIF). The BIF offers financial assistance to “mom and pop” businesses of up to a maximum of \$50,000 annually, not to exceed 60% of the annual business revenue loss per fund recipient. Financial assistance covers: <ul style="list-style-type: none"> ○ Utilities ○ Insurance ○ Rent or Mortgage ○ Payroll ○ Other types of eligible documented business related expenses may be considered by the program administrator, ○ Commercial property owners may file, however; property owners may only file a claim for mortgage, utilities, insurance and other expenses as determined by the program administrator.
Houston, TX HOUSTON METRO	X	X Interest Free	<ul style="list-style-type: none"> • The Business Assistance Fund is a grant program designed specifically to help small businesses through the light rail construction period. Eligible businesses may apply for financial aid to assist in handling the everyday costs of doing business, such as: <ul style="list-style-type: none"> ○ Utilities ○ Insurance ○ Rent or mortgage payments

BUSINESS LOSS FUNDING			
	GRANTS	LOANS	DESCRIPTION OF MONETARY ASSISTANCE PROVIDED
			o Payroll
Minneapolis, MN METROPOLITAN COUNCIL	X	X	<ul style="list-style-type: none"> • During the construction of the Green Line, the Metropolitan Council, cities of St. Paul and Minneapolis the Central Corridor Funders Collaborative and Living Cities philanthropic collaborative, put resources together to offer businesses several options for assistance, including forgivable loans worth more than \$5.6 million, \$650,000 in grants and \$4.9 million in other forms of assistance for a total of \$11.1 million. • <u>Forgivable Loans and Grants.</u> More than \$4 million (later increased to \$6 million) in forgivable loans and grants was available during construction to businesses that show a loss in sales due to the construction of the Central Corridor Light Rail construction. The Business Support Fund includes \$4.0 million in loan funds (\$2.5 million from the Metropolitan Council; \$1.0 million from the City of Saint Paul and \$0.5 million from the Central Corridor Funders Collaborative). <ul style="list-style-type: none"> - Individual small businesses whose business focuses on retail sales would be eligible for loans of up to \$20,000. Loans could be used for basic business expenses including taxes, rent/mortgage, utility or personnel payments. - Average loan: \$17,969 to 202 businesses. • <u>Neighborhood Commercial Parking Pilot Program.</u> The City of Saint Paul authorized \$2.1 million in 2010 for the Neighborhood Commercial Parking Pilot Program to provide forgivable loans for improvements to off-street parking along University Avenue. The program funded a limited number of projects that improve parking management, increase the amount and utilization of commercial parking and/or encourage business and property owners to share the use and costs of off-street parking.

BUSINESS LOSS FUNDING			
	GRANTS	LOANS	DESCRIPTION OF MONETARY ASSISTANCE PROVIDED
			<ul style="list-style-type: none"> • <u>Small Business Growth/Small Business Building Ownership Fund Façade Improvement Financing.</u> The Neighborhood Development Center (NDC) received \$850,000 in loan, grant and Program Related Investment (PRI) funds to assist targeted businesses with significant growth opportunities and/or that are in a position to buy or improve their own buildings with the goal of reinforcing the importance of locally- and minority-owned businesses to the Central Corridor. The City of Minneapolis committed \$150,000 for façade-improvement matching grants to corridor businesses and has various business loan programs available to support business expansion and working capital needs.
Portland, OR TRIMET		X	<ul style="list-style-type: none"> • <u>Business Loans.</u> Tri-Met and the Portland Development Commission teamed up with Cascadia Revolving Fund, a private non-profit community development financial institution to provide financial help to businesses affected by light rail construction. Businesses that could demonstrate construction had affected their revenues were eligible to receive low-interest loans. The 8-year loans offered an interest rate of 3 percent with 'interest only' payments for the first year. Loans were between \$5,000 and \$25,000. • <u>Storefront Improvement Grants.</u> The Portland Development Commission provided a Storefront Improvement Grant program aimed to assist property and business owners in rehabilitating their storefronts. In total, 18 businesses have received Storefront Improvement grants (Portland Development Commission 2007).
Seattle, WA SOUND TRANSIT	X \$28 Million	X Below market rate	<ul style="list-style-type: none"> • <u>Business Interruption Payments.</u> Designed to compensate businesses for the loss of business income and/or rental income as a result of light rail construction. Payments were made to landlords, relocating businesses, and non-relocating businesses. The program was

BUSINESS LOSS FUNDING			
	GRANTS	LOANS	DESCRIPTION OF MONETARY ASSISTANCE PROVIDED
			<p>amended 9 times over a 6 year period to accommodate the needs of businesses throughout the construction process. The final amount businesses could receive was \$150K. Demonstration of losses was required.</p> <ul style="list-style-type: none"> • <u>Working Capital Advances.</u> Loans intended to augment business interruption payments. Available to businesses with the goal of covering legitimate business operating expenses required to continue operations during construction. Equipment advances were also provided to relocating businesses to purchases equipment that could not be sufficiently covered by Sound Transit compensation. • <u>Tenant Improvement Advances.</u> Purpose was to assist relocated businesses with costs associated with the build out of permanent and temporary facilities to accommodate business activity above and Beyond Sound Transit and CDF compensatory payments.

Exhibit 13: Direct Marketing Offered by Comparable Programs

DIRECT MARKETING ASSISTANCE	
Los Angeles, CA LA METRO	<ul style="list-style-type: none"> • Eat, Shop, Play is campaign that incentivizes consumers to support businesses impacted by construction of the Crenshaw/LAX by having quarterly drawings for cash prizes ranging from \$250 to \$1,000 for customers who “Take the Pledge” and submit proofs of purchases (receipts) from participating businesses. Participating business are listed on the website. • Business spotlights of impacted businesses along the corridor on the Metro/BSC website and blog.
Houston, TX HOUSTON METRO	<ul style="list-style-type: none"> • Rally around the Rails campaign, which encourages consumers to support businesses along the construction corridor by providing an extensive business directory on-line (by geographic area and type of service) and also provided spotlights of businesses.
Minneapolis, MN METROPOLITAN COUNCIL	<ul style="list-style-type: none"> • Funded a \$1.2 million marketing campaign that includes free bus side ads and billboards for corridor businesses and print and online business directories. Developed targeted marketing campaigns for nine different business districts along the Central Corridor LRT alignment based on business outreach and research efforts. The marketing campaign incorporates many types of advertising platforms such as billboards, a website (www.onthegreenline.com), and social media. • The “Buy Local” coupon book. Organized by the Midway Chamber of Commerce, the “Buy Local” coupon book was a component of the Chamber’s Discover Central Corridor initiative to market local businesses.
Portland, OR TRIMET	<ul style="list-style-type: none"> • To further offset possible construction impacts, partner agencies created an advertising campaign to draw in business. The broad-based campaign included advertisements, direct mail, promotions, and a “Lunch Bus” that brought 14,000 people to Interstate restaurants. Provided temporary business signage during construction. • TriMet also provided visible, temporary easy-to-read signage to alert customers that businesses are open during construction.
Seattle, WA SOUND TRANSIT	<ul style="list-style-type: none"> • “Open for business” signs were posted at businesses directly impacted by construction. The city also provided detour signs to help customers access businesses during construction. Kiosks and businesses directories were placed where appropriate. • “Lunch Bus” campaign shuttling Sound Transit and city employees and members of the general public to a local restaurant along the corridor.

DIRECT MARKETING ASSISTANCE	
	<ul style="list-style-type: none">• “The World At Your Doorstep” to encourage individuals throughout the Rainier Valley to shop at businesses along the LRT corridor. This campaign utilizes several advertising techniques including a website, mailers to local residents, and flyers. As part of the campaign, each month several impacted businesses are featured in a monthly construction newsletter.

Exhibit 14: Technical Assistance Offered by Comparable Programs

TECHNICAL ASSISTANCE	
Los Angeles, CA LA METRO	<ul style="list-style-type: none"> • METRO contracted BSC to provide the following various services targeted towards impacted merchants. • <i>Business Outreach Program</i> to facilitate the utilization of available services and resources. Strategy consists of the use of door-to-door business outreach, partner outreach, business referral services, and constituent engagement. • Case Management services that offer businesses an array of free, hands-on Case Management Support Services during the construction of Metro’s Crenshaw/LAX Transit project. The <i>BSC Business Services</i> will include support in: Business Development, Corporate Mentorship, Financial Consultation, and Workforce Development. • Business Referrals. Will provide industry specific referral services tailored to meet each business’ unique needs. These Business Referral Services will also help to connect businesses to existing Public, Private and Non-Profit Business Assistance Programs; as well as provide resources for small business funding, including the BIF.
Houston, TX HOUSTON METRO	<ul style="list-style-type: none"> • METRO partnered with the Service Corps of Retired Executives (SCORE), a non-profit association putting successful retired business executives in touch with local area businesses to consult on a variety of business-building techniques. This service is free and open to all businesses along specific rail lines. SCORE also offers free workshops, which cover a variety of topics and techniques including: <ul style="list-style-type: none"> ○ Marketing ○ Organization/insurance/regulation ○ Cash management ○ Business plans • Members of SCORE also provide an in-depth, one-on-one analysis of the business, and planning to accomplish business goals.
Minneapolis, MN METROPOLITAN COUNCIL	<ul style="list-style-type: none"> • Provided business consulting and technical assistance (e.g., business and real estate development loan assistance; parking; energy efficiency programs; advocacy, information and referrals).
Portland, OR TRIMET	<ul style="list-style-type: none"> • Tri-Met and the Portland Development Commission teamed up with Cascadia Revolving Fund, a private non-profit community development financial institution to provide financial help and

TECHNICAL ASSISTANCE

technical assistance to businesses affected by light rail construction. In addition to loans, Cascadia provided on-going consultation on business practices such as finance, accounting, marketing, personnel and general management issues. In total, Cascadia provided over 800 hours of personalized technical assistance to 59 businesses along Interstate Avenue.

- Business Outreach Program consultant helps position the business for success by: 1) Assessing business model, target market and financial issues, 2) Providing technical assistance in marketing, accounting, business plan development, and 3) Connecting the business with appropriate financing programs and aiding in preparing loan and grant applications.

Exhibit 15: Relocation Offered by Comparable Programs

RELOCATION SERVICES	
Portland, OR TRIMET	<ul style="list-style-type: none"> • Each business is assigned a Universal Field Services relocation agent to guide it through the relocation process by: 1) Identifying potential new locations, 2) Assisting in planning for move, and 3) Helping the business access benefits listed below. • Businesses may be reimbursed for site search expenses based on actual activities. (Up to \$2,500) • Businesses may be reimbursed for moving expenses based on actual cost of moving personal property. (No dollar cap) • Businesses may be reimbursed for reestablishment expenses based on actual costs of reestablishing the business at new location. (Up to \$10,000) • Businesses may elect to receive a lump-sum payment of up to \$20,000 instead of all other payments, based on the average of the previous two years' net earnings.
Seattle, WA SOUND TRANSIT	<ul style="list-style-type: none"> • Re-establishment Payments: Assisted businesses that were physically relocated as a result of rail construction. Payments were made to businesses when the legally obligated payments made by Sound Transit under federal law were inadequate in re-establishing business operations. These payments were grants and did not have to be repaid. Businesses were reimbursed for certain eligible costs/expenses. Re-establishment payments were made after Sound Transit expended its portion of the relocation funds available to businesses. Eligible uses for the funds included direct and indirect moving expenses, functional repairs, improvements and modifications to the replacement site necessary for business operations, covering increased rent for up to 24 months, and advertising. Maximum amount is \$250,000.

Exhibit 16: Alternative Solutions Offered by Comparable Programs

ALTERNATIVE ASSISTANCE STRATEGIES	
<p>Minneapolis, MN METROPOLITAN COUNCIL</p>	<ul style="list-style-type: none"> • Cooperative Advertising and Transit Fare Passes: Metropolitan Council is providing \$250,000 in marketing support in the form of cooperative advertising and fare passes to businesses for distribution to customers. • Contractor Incentive Program: A contractor incentive program was provided to encourage effective communication and cooperation between the contractor, businesses and residents. A Construction Communication Committee (“CCC”) comprised of business owners, residents, and other stakeholders were created for each outreach sector identified in contract documents. The CCC meets every two weeks to vote on identified evaluation criteria measuring contractor efforts. • Progressive Dinner: Organized by the Midway Chamber of Commerce, the progressive dinner took place in December 2011 and provided transportation to different restaurants on the corridor over the course of a single night.
<p>Portland, OR TRIMET</p>	<ul style="list-style-type: none"> • Buy Local: To maximize support within the local communities affected by construction, TriMet and its project partners identify local businesses along the corridor to channel work to during construction, such as sign makers, restaurants, coffee houses, print shops and other small businesses. This effort has successfully kept hundreds of thousands of dollars within the local economy. • “Lunch Bus” that brought 14,000 people to Interstate restaurants.
<p>Seattle, WA SOUND TRANSIT</p>	<ul style="list-style-type: none"> • Kiosks and businesses directories were placed where appropriate to help potential customers navigate to businesses along the corridor. • “Lunch Bus” campaign shuttling Sound Transit and city employees and members of the general public to a local restaurant along the corridor.

B. Survey Results Of Crenshaw Corridor Merchants

The source for each of the charts and graphs that follow, created by G-CAP Services, pages 339-354, are the Merchant Survey Results obtained by G-CAP Services, February 23 to March 28, 2016.

1. Survey responses

Surveys were collected over a period of 35 days from February 23 to March 28, 2016. Exhibit 17 summarizes the number of contacts made to merchants during the survey period in the different formats, at the business location and by telephone or email. The contacted total does not include the 437 mailings made on March 17, 2016, to Crenshaw Corridor merchants.

Exhibit 17 – Total Contacted Summary Chart

	Total Interviewed	Completed Surveys	Survey Not Completed
At Business	168	81	87
Telephone	139	1	138
Email	17	6	11
Total	324	88	236

A total of 168 merchant contacts were made by speaking with the manager or owner at their business location. Data was collected and surveys were completed for 81 merchants at their businesses. There were 87 more merchants contacted but did not complete the survey. There were 19 merchants who were contacted in person more than once.

A total of 139 merchants were contacted by telephone and only one merchant completed the survey by the initial telephone contact. There were 138 merchants contacted by telephone who did not complete surveys. Seventeen merchants were contacted by email and six completed the survey.

A total of 324 merchant contacts were made, 88 merchants completed surveys and 236 merchants did not complete surveys. Three merchants who were surveyed completed an emailed survey at a later date. These three merchants were only counted at the initial contact point (the business location).

Actual results of the Merchant Survey are shown in the following sections. Each section corresponds to a counterpart section in the survey questionnaire.

Survey Section A – Merchant Profile

Survey Question A.1.

There were eighty-eight (88) survey respondents.

Survey Question A.2.

Number of Years in Business:

	Number of Response(s)	Response Ratio
0 - 1	3	3.75%
2 - 5	16	18.2%
6 - 9	10	11.4%
10 +	58	65.9%
No Responses	1	1.1%
Total	88	100%

Survey Question A.3.

Number of Years Operating at Current Location:

	Number of Response(s)	Response Ratio
0 - 1	10	11.3%
2 - 5	18	20.5%
6 - 9	10	11.4%
10 +	49	55.7%
No Responses	1	1.1%
Total	88	100%

Survey Section B – Effect of Crenshaw/LAX Construction on Your Business

In the survey, merchants were asked a couple of questions to gauge the impact of Crenshaw/LAX transit line construction on businesses. Most merchants responded that they were negatively impacted by the construction. As shown in Survey Question B.1, when asked what level of financial impact construction of the Crenshaw/LAX Light Rail had on them, 50.6% of those surveyed ranked the impact at 1, indicating that it had a negative impact. On the other hand, 10.6% indicated that the construction had no impact on their business. The results show that the construction has had a negative impact on 86% of those who responded to this question.

Survey Question B.1.

What level of financial impact has construction of the Crenshaw/LAX Light Rail had on your business? Please rate the following on a scale of 1 - 9; with 1 indicating a negative impact, 5 indicating no impact, and 9 indicating positive impact. Provide additional information about rating in the comment field, if desired.

Negative Impact					No Impact				Positive Impact
1	2	3	4	5	6	7	8	9	
50.6%	15.3%	11.8%	8.2%	10.6%	0.0%	1.2%	1.2%	1.2%	

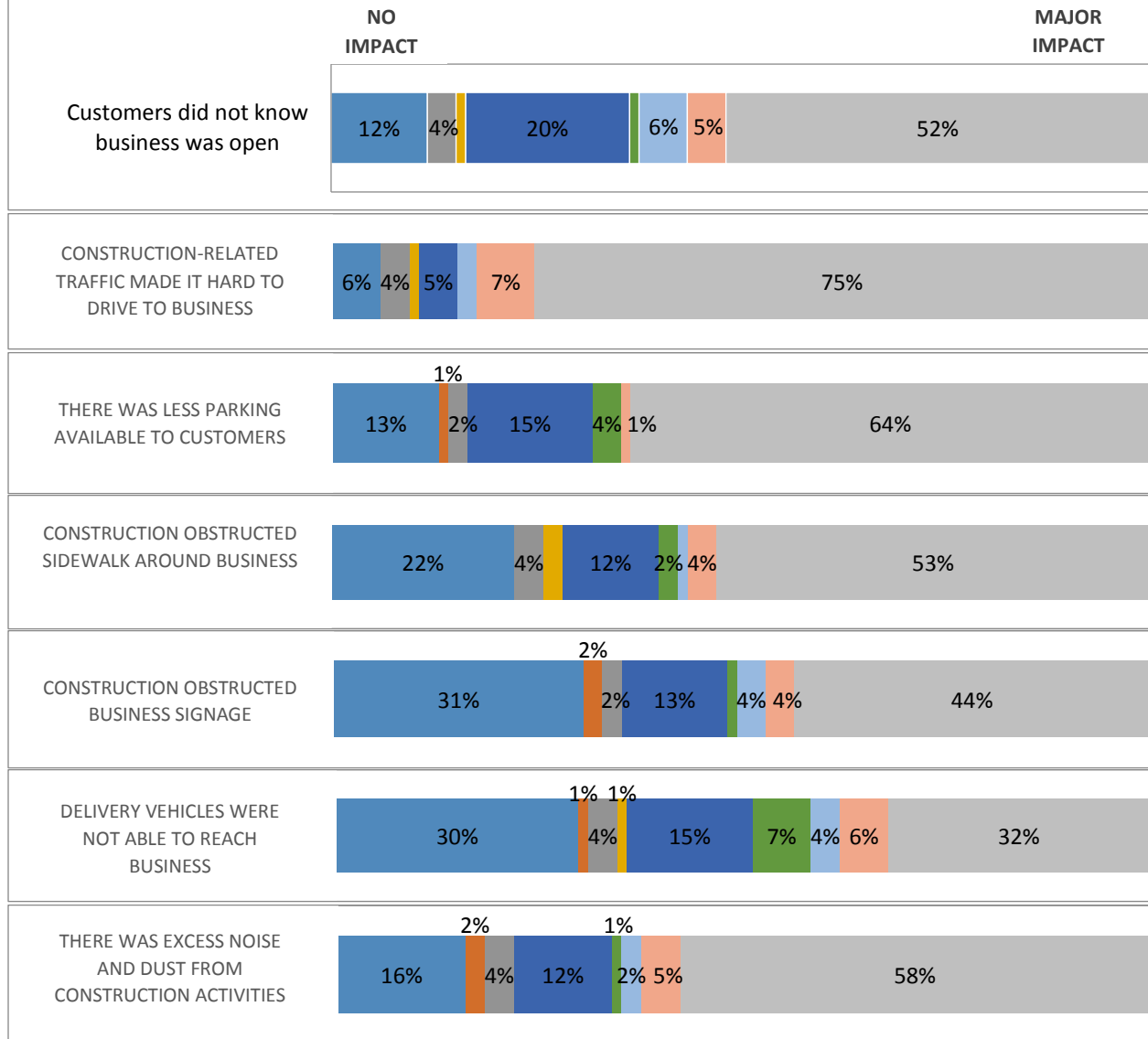
Survey Question B.2 demonstrates various construction issues and their level of impact to the survey participants. For example, 75% of survey participants indicated an impact level of 9 (Major Impact) for the construction issue “construction-related traffic made it hard to drive to the business.”

Survey Question B.2. Results

Below are construction related factors that may have impacted businesses along the Crenshaw/LAX corridor. Please indicate, on a scale from 1 to 9, the level of impact specifically caused to your business for each factor. Provide additional information about rating in the comment field, if desired.									
	No Impact				Minor Impact				Major Impact
# of respondents and % of total respondents	1	2	3	4	5	6	7	8	9
Customers did not know business was open	10 11.8%	0 0.0%	3 3.5%	1 1.2%	17 20.0%	1 1.2%	5 5.9%	4 4.7%	44 51.8%
Construction-related traffic made it hard to drive to business	5 5.9%	0 0.0%	3 3.5%	1 1.2%	4 4.7%	0 0.0%	2 2.4%	6 7.1%	64 75.3%
There was less parking available to customers	11 12.9%	1 1.2%	2 2.4%	0 0.0%	13 15.3%	3 3.5%	0 0.0%	1 1.2%	54 63.5%
Construction obstructed sidewalk around business	19 22.4%	0 0.0%	3 3.5%	2 2.4%	10 11.8%	2 2.4%	1 1.2%	3 3.5%	45 52.9%
Construction obstructed business signage	26 30.6%	2 2.4%	2 2.4%	0 0.0%	11 12.9%	1 1.2%	3 3.5%	3 3.5%	37 43.5%
Delivery vehicles were not able to reach business	25 29.8%	1 1.2%	3 3.6%	1 1.2%	13 15.5%	6 7.1%	3 3.6%	5 6.0%	27 32.1%
There was excess noise and dust from construction activities	13 15.7%	2 2.4%	3 3.6%	0 0.0%	10 12.0%	1 1.2%	2 2.4%	4 4.8%	48 57.8%

Exhibit 18

Please indicate the level of impact specifically caused to your business for each factor.



Survey Question B.3. - For how many weeks has the construction impacted your business?

Merchants responded that they were impacted by the construction for an average of 54.35 weeks.

Survey Question B.4. - What is the likelihood that you will be able to stay in business during construction?

Responses indicated that 57.3% of merchants felt the likelihood of remaining in business during construction was between not likely and somewhat likely. Specifically,

- 36.6% of merchants felt they were somewhat likely to stay in business during construction,
- 4.9% felt less than somewhat likely to stay in business during construction,
- 12.2% felt not likely to stay in business during construction,
- 31.7% of merchants felt they were highly likely to remain in business during construction.

Survey Section C - Qualifying BIF Eligibility Criteria

Survey Question C.1. - Does your business have a continuous operating history of longer than 2 years?

Eighty-nine percent responded that they have two years of continuous operation in the affected Crenshaw Corridor. Only ten percent responded that they had less than two years of continuous operation and one respondent chose not to respond.

Survey Question C.2. - Does your business have 25 or fewer employees?

Ninety-six percent of surveyed merchants have 25 or fewer employees, 3% have more than 25 employees and 1% of merchants chose not to respond.

Survey Question C.3. - Are your business records and filings current for local, state and federal taxing and licensing authorities?

Most merchants (91%) indicated that their business records and government filings were current.

Survey Question C.4. - Is your business able to produce relevant financial records (e.g. gross receipts, payroll taxes, bank statements or other financial information) demonstrating a loss of business revenue directly related to the period of construction disruption?

Roughly 89.8% of merchants are able to produce relevant records that would assist in showing a loss of business revenue. Three percent were not able to produce relevant records and 7% chose not to respond.

Survey Section D - Knowledge of BIF Program

Survey Question D.1. - Were you aware of BIF prior to receiving this survey?

Seventy-three percent of merchants were aware of BIF prior to receiving the survey. Almost a quarter of respondents 27%, were not aware of BIF.

Survey Question D.2. - How did you learn about BIF?

The primary sources that introduced merchants to BIF were word of mouth and BIF representatives, 26% and 27%, respectively. Metro BIF workshops accounted for 13%, newspaper/local publications 3%, other 5% and 26% chose not to respond.

Survey Question D.3. - Where can someone get the application for BIF grant assistance?

A majority of merchants responded that the BIF application could be found online/website.⁹ From the remaining merchants, 9% believe the application is found at the BSC/Urban League, 2% at the Metro office, 7% in the newspaper, 4% from a BIF representative and 15% did not know.

Survey Section E – BIF Grant Assistance

Survey Question E.1. - Have you ever applied for grant assistance?

Forty percent of merchants responded that they did not apply for BIF, 35% did apply and 25% chose not to respond.

Survey Question E.2. - Why haven't you applied for grant assistance? Select all that apply. If you believe your business doesn't qualify, explain why not in the comment field.

There were several reasons that merchants provided for not applying for BIF grant assistance:

- Do not know how to apply – 32%;
- Do not believe my business qualifies – 26%,

⁹ https://www.GrantRequest.com/SID_2151?SA=AM

- Intend to apply but have not yet - 26%,
- Do not have the required records – 10%,
- Do not have the time – 3%,
- Do not need the money – 3%.

Several comments were made by the merchants, such as:

- “Was told this was a loan;”
- “Was told not to bother by a BIF representative;”
- “Accountant told me not to apply;”
- “No reduction shown in revenue from previous year;”
- “Construction not in front yet;”
- “Might do it but don’t know what to do;”
- “My business is less than two years old;”
- “Don’t know why I haven’t applied.”

Survey Question E.3. - Please state the approximate date you applied for grant assistance?

Merchants have applied for grant assistance between September 2014 and as recently as March 2016. One merchant started the BIF application process but stopped after realizing a lack of the required records and feeling there was too much paperwork.

Survey Question E.4. - How long after you submitted your application were you first contacted by a BIF representative regarding your application? Please provide number of days.

The average number of days it took merchants to be contacted by a BIF representative after submitting the application was 34.4 days. This average included two merchants that responded they were never contacted. When the two merchants who said they were not contacted are removed, the average becomes 8.7 days.

Survey Question E.5. - How many discussions occurred between your company and the BIF grant liaison to complete your application? Please provide number of discussions.

There was an average of 4.6 discussions between the BIF grant liaison and the merchants.

Survey Question E.6. - What information were you required to submit with your grant application? Select all that apply.

Merchants responded that there were several business records they were required to submit with their applications:

- Sales receipts – 13%;
- Business license – 17%;
- Payroll taxes – 12%;
- Tax returns – 17%;
- Business bank statements – 15%;
- Profit and Loss statements – 12%;
- Board of Equalization statements – 13%;
- Other – 2%.

Totals may equal greater than 100% because respondents were able to choose multiple answers.

Survey Question E.7. - How many hours did it take you and your staff to complete and submit the application and supporting documentation?

Merchants responded that it took them an average of 11.3 hours to complete and submit all required documents for application submittal.

Survey Question E.8. - Did you hire an outside contractor to provide assistance with completing the BIF application?

Only five of 31 responding merchants who applied for BIF assistance hired an outside contractor to assist in completing the application.

Survey Question E.9. - How many calendar days after you completed your application and submitted all required information did you receive the final ruling on your application?

The number of days varied that it took for merchants to be contacted about a ruling after a completed application was submitted.

- four merchants were contacted from 1 to 3 days,
- seven merchants from 4 to 7 days,
- two from 8 to 10 days,
- zero from 11 to 14 days, and
- seventeen over 15 days.

Survey Question E.10. - How many days passed from the date you received your application ruling to when you received payment?

On average, merchants received payment 8.96 days after receiving a ruling.

Survey Question E.11. - Was your application to receive business interruption funds approved?

Out of the total 88 respondents, 21 merchants indicated that they received BIF grant assistance, seven indicated they did not receive BIF grant assistance and 60 merchants did not respond to this question.

Survey Section F – Overall Assessment of BIF Program

The survey was designed to include questions to gauge the efficacy of the BIF application process. Areas of interest included outreach, eligibility, application review turnarounds, payment turnaround, and the merchants' overall experience with applying for, and, if applicable, receiving BIF grant assistance. In terms of general observations, merchants' responses about their overall application experience varied, but the majority of ratings were "excellent."

Survey Question F.1.

Please rate the following on a scale of 1 - 9; with 1 indicating a poor rating, 5 indicating a neutral rating, and 9 indicating an excellent rating. Provide additional information about rating in the comment field, if desired.

	Poor				Neutral				Excellent	
	DK	1	2	3	4	5	6	7	8	9
Responsiveness of Grant Application Liaison	21	13	1	1	0	5	2	0	0	21
	32.8%	20.3%	1.6%	1.6%	0.0%	7.8%	3.1%	0.0%	0.0%	32.8%
Ease of Application Process	23	10	1	1	4	8	2	3	2	10
	35.9%	15.6%	1.6%	1.6%	6.3%	12.5%	3.1%	4.7%	3.1%	15.6%
Fairness of Application Eligibility Criteria	24	10	4	2	1	5	1	5	0	12
	37.5%	15.6%	6.3%	3.1%	1.6%	7.8%	1.6%	7.8%	0.0%	18.8%
Effectiveness of BIF Grant Assistance	27	8	3	2	1	4	4	2	0	12
	42.9%	12.7%	4.8%	3.2%	1.6%	6.3%	6.3%	3.2%	0.0%	19.0%

Taking a weighted average for each area, the ratings for all areas are just slightly above neutral/average on the rating spectrum, where 1 indicates a poor rating, 5 indicates a neutral/average rating and 9 indicates an excellent rating.

Survey Question G.1.

For each type of assistance listed below, on a scale from 1 to 9, please indicate how helpful you think it would be in reducing the impacts of construction to your business.

# of respondents and percent of total respondents	Not Helpful				Slightly Helpful				Very Helpful
	1	2	3	4	5	6	7	8	9
Low/No-interest loans to cover losses	40	2	6	1	6	2	2	4	25
	45.5%	2.3%	6.8%	1.1%	6.8%	2.3%	2.3%	4.5%	28.4%
Grant assistance to cover losses	4	0	0	0	5	2	1	2	74
	5%	0%	0%	0%	6%	2%	1%	2%	84%
Technical assistance for business planning or strategy	16	1	0	1	20	7	6	7	30
	18.2%	1.1%	0.0%	1.1%	22.7%	8.0%	6.8%	8.0%	34.1%

Technical assistance for completing BIF Application	17	1	0	1	14	3	7	7	36
	20%	1%	0%	1%	16%	3%	8%	8%	42%
Business marketing and advertising assistance (signage, coupon books, online business promotion)	9	1	0	2	11	2	4	8	51
	10.2%	1.1%	0.0%	2.3%	12.5%	2.3%	4.5%	9.1%	58.0%
Parking mitigation assistance, such as providing alternate parking options	13	0	2	1	8	6	5	5	46
	15.1%	0.0%	2.3%	1.2%	9.3%	7.0%	5.8%	5.8%	53.5%
Transit subsidies to employees and residents in construction area	19	2	1	1	12	8	6	3	35
	21.8%	2.3%	1.1%	1.1%	13.8%	9.2%	6.9%	3.4%	40.2%
Program shuttling patrons to businesses during lunch hour	28	3	0	1	12	6	5	6	26
	32.2%	3.4%	0.0%	1.1%	13.8%	6.9%	5.7%	6.9%	29.9%

Survey Question G.2.

Are you aware of the services provided by the Business Solutions Center (BSC)?

	Number of Response(s)	Response Ratio
Yes	37	42.0%
No	51	58.0%
No Responses	0	0.0%
Total	88	100%

Survey Question G.3.

Have you inquired about or used the services of BSC?

	Number of Response(s)	Response Ratio
Yes	20	22.7%
No	67	76.1%
No Responses	1	1.1%
Total	88	100%

C. Survey Responses And Findings

Based on the survey responses, the following findings are made for improving the BIF. The following findings correspond to the results of the merchant survey in Section B:

Section A – Merchant Profile

No findings.

Section B – Effect of Crenshaw /LAX Construction on Your Business

Question B.1. Level of financial impact of construction merchant's business

Over 50% of the merchants surveyed rated the impact on their businesses at the maximum level allowed in the survey, which suggests Metro should consider awarding assistance in the maximum amount reasonably possible and during a period commensurate with the true interruption duration.

Question B.2. Level of impact caused to business by specific construction factors

Merchants' responses strongly support the following additions to the BIF program.

- Metro should provide additional signage that clearly articulates that businesses are open and customers are welcomed. These signs should be placed, stabilized and maintained in clear view of traffic, in and around, the corridor.
- Metro should provide additional marketing campaigns, showing how to navigate traffic and access businesses and parking areas.
- Metro should provide additional parking spaces in areas where spaces were eliminated and/or were insufficient prior to construction.
- Metro should mitigate dust and noise to the greatest allowable extent, according to safe construction practices.

Question B.3. How many weeks construction has impacted business

Many merchants strongly contend the eligibility requirement that construction must be adjacent is unreasonable and grossly understates the financial interruption to their businesses. Metro should consider reviewing specific traffic patterns before and after construction to fully assess changes in traffic flow around businesses. Metro should consider developing a graduated scale of eligibility allowing compensation during periods before and after construction that is adjacent to a Merchant's business.

Question B.4. Likelihood of staying in business during construction

Over 50% of merchants responding stated they are not likely, or only somewhat likely, to stay in business as a result of their business interruption during construction. Metro should consider the following:

- Metro should revise the eligibility criteria to more effectively compensate based on the duration of impact and amount of impact to affected merchants, and
- Metro should provide additional mitigation alternatives as discussed in this report that can lessen the financial impact.

Section C – Qualifying BIF Eligibility Criteria

No findings.

Section D – Knowledge of BIF Program

Question D.1. Awareness of the Business Interruption Fund (BIF)

Twenty-four respondents indicated they were not aware of BIF prior to receiving this survey. Conversely, sixty-four merchants indicated they were aware of BIF confirming the results of a major outreach program by the BIF Administrator. Metro should consider additional outreach techniques and efforts to inform merchants of BIF and its features.

Question D.2. How did merchants learn about BIF

Findings, see Question D.1.

Question D.3. Where to obtain the application for BIF grant assistance

Of the 46 merchants responding to this question 72% knew where to get an application confirming the results of a major outreach program by the BIF Administrator.

Section E – BIF Grant Assistance

Question E.1. How many merchants applied for BIF grant assistance

Thirty-five respondents answered they had not applied for grant assistance. This result appears abnormally high given other survey responses that confirm the significant financial interruption and potential jeopardy for merchants to stay in business through construction.

Question E.2. Why didn't some merchants apply for BIF grant assistance

Ten respondents answered they didn't know how to apply and eight answered they believed their business didn't qualify. Both responses suggest additional outreach and information should be provided to merchants to emphasize key communication points about BIF as discussed in other recommendations in this report.

Questions E.3. Please state the approximate date you applied for grant assistance?

No findings.

Questions E.4. How long after you submitted your application were you first contacted by a BIF representative regarding your application?

No findings.

Questions E.5. How many discussions occurred between your company and the BIF grant liaison to complete your application?

No findings.

Questions E.6. What information were you required to submit with your grant application?

No findings.

Questions E.7. How many hours did it take your staff to complete and submit the application and supporting documentation?

No findings.

Question E.8 - E.11.

Questions E.8, E.9, E.10, and E.11 included a high level of non-responses. Possible reasons why this occurred include:

- many merchants had developed an affiliation with BIF and appeared to prefer to minimize comments that may be deemed less than complimentary, and
- many merchants multi-tasked during interview and may have responded "no response" to expedite the interview in certain areas.

Section F – Overall Assessment of BIF

Question F.1. Rate Specific Elements of BIF

- Merchants generally responded that the performance of the Grant Application Liaison was outstanding. However, about a dozen merchants responded they had negative experiences with various aspects of BIF program staff.
- Merchants were generally split on the ease of the application process. For example, 16 merchants rated it below their neutral opinion and 17 merchants above their neutral opinion.
- Merchants were generally split on the fairness of the application process. For example, 17 merchants rated it below their neutral opinion and 18 merchants above their neutral opinion.
- Merchants were generally split regarding the effectiveness of the grant assistance. For example, 14 merchants rated it below their neutral opinion and 18 merchants above their neutral opinion.

V. RECOMMENDATIONS

- 16.1 The Los Angeles County Metropolitan Transportation Authority (Metro) should expand loss mitigation financial assistance. Rather than offering one-size-fits all financial services, create a program that offers a combination of grants, low-interest and forgivable loans, and advances, each with their own set of criteria so businesses with different needs and means have options. Grants and forgivable loan resources should make up the core of this loss-mitigation strategy.
- 16.2 Metro should direct its consultant to provide temporary signage to merchants during construction. For example, open for business sign, detour signs.
- 16.3 Metro should actively patronize local businesses during construction and identify local businesses along the corridor and channel work to them during construction.
- 16.4 Metro should provide a graduated grant award for merchants who are located closer to extremely high impact areas of construction (businesses adjacent to extremely high impact areas would qualify for an “extended impact” grant award).
- 16.5 Metro should expand eligibility qualifications to allow merchants with less than two years but, at least six months, in business to receive a maximum award not to surpass \$10,000 a year (the qualifying merchant must be able to provide current financial documents and current business filings).

- 16.6 Metro should establish a Storefront Improvement Grant program aimed at assisting property and business owners in rehabilitating their storefronts at the termination of construction.
- 16.7 Metro should consider each of the programs in Survey Question G.1., to more fully support merchants.
- 16.8 Metro should continue to work with the Business Solutions Center to increase merchant awareness its capabilities and features.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses shall be made no later than ninety (90) days after the Grand Jury publishes its report (files with the Clerk of the Court). Responses shall be made in accord with Penal Code 933.05(a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
 Los Angeles County Superior Court
 Clara Shortridge Foltz Criminal Justice Center
 210 West Temple Street
 Eleventh Floor-Room 11-506
 Los Angeles, CA 90012

Responses are required from:

Los Angeles County Metropolitan Transportation Authority: 16.1, 16.2, 16.3, 16.4, 16.5, 16.6, 16.7, 16.8

VII. ACRONYMS

BIF	Business Interruption Fund
BSC	Business Solutions Center
CGJ	Civil Grand Jury
LAX	Los Angeles International Airport
Metro	Los Angeles County Metropolitan Transportation Authority
PCR	Pacific Coast Regional

VIII. COMMITTEE MEMBERS

Rene Childress Chair
Sandy A. Orton
Bob Villacarlos



**WHERE HAS L.A.'s PROPERTY GONE?
TO WHOM AND FOR HOW MUCH?**

WHERE HAS L.A.'s PROPERTY GONE? TO WHOM AND FOR HOW MUCH?

I. INTRODUCTION

The City of Los Angeles (City) owns a large portfolio of real estate, probably one of the largest and most significant in the United States. Some of this land is undeveloped and other lots are developed. The parcel sizes range from miniscule to very large, and the locations range throughout the City. Land values in the City are significantly higher than most other large cities,¹ and continue to rise, making the total value of these properties significant. Although the City has numerous procedures for handling surplus property, such procedures must conform to California law, the City of Los Angeles Charter, the City of Los Angeles Municipal Code (LAMC), and the City of Los Angeles Administrative Code (LAAC).

The question “Is the property being sold for the best benefit of the City?” became an important aspect in this investigation. As the 2015-2016 Los Angeles County Civil Grand Jury (CGJ) began to investigate the sale of one specific property, it became apparent that other areas of Los Angeles General Services Division (GSD)/Real Estate Services (RES) were interesting topics for investigation.

II. BACKGROUND

A. Sales Process Of Surplus City Owned Real Estate

The City has a Surplus Property Procedure. See Chart 1. The process from “Request” through “Close File” can take up to two and a half years. The following property designations were provided to CGJ by GSD/RES.

- Surplus property: GSD/RES provides the City Council with a list of property that can be declared “surplus.” There are currently 239 properties that have been declared surplus, but are still on City records.
- Blocker Lots: There are 575 “blocker” lots in the City. These lots were once scheduled for use in another project, but were not developed. City departments such as Transportation, City Planning and Public Works have requested these lots not be developed or sold for reasons such as traffic mitigation, potential hazards or blocking inappropriate development.

¹ <http://static4.businessinsider.com>

- Sliver or Remnant Parcels: The City holds just over 200 “remnant” parcels that are too small for development. The size of the “remnant” can vary, but cannot exceed 5,000 square feet. These lots are often sold to the adjoining home or property owner. This program is called “Own a Piece of L.A.”

On February 1, 2005, Mayor James Hahn signed Executive Directive No. GU-1, “City Owned Property Policy” where it stated, “Effective immediately, it is the policy of the City of Los Angeles to maximize the use of its surplus real estate assets in a manner that increases its affordable housing stock.”² This policy is called Maximizing Our Real Estate (MORE). Further, in the 2009 Strategic Real Estate Plan “One Guiding Principle” the Executive Summary states “Surplus property should be disposed of immediately.”³ The CGJ is unable to confirm that either directive was followed and the City continues to maintain an unneeded surplus inventory of land and buildings.

When real estate is unused, it can create a hazard. Parcels owned by the government are exempt from property taxes.⁴ Once a parcel is sold, the property tax roll increases for years to come. The CGJ did not look at the number of surplus lots in each district. Chart 1 provided by the City describes the Surplus Property Procedure.⁵

² Executive Directive No.GU-1-City owned Surplus Property Policy. <http://cityclerk.lacity.org/lacityclerkconnect>

³ City of Los Angeles 2009 Strategic Real Estate Plan – Executive Summary- Guiding Principles. <http://cityclerk.lacity.org/lacityclerkconnect>

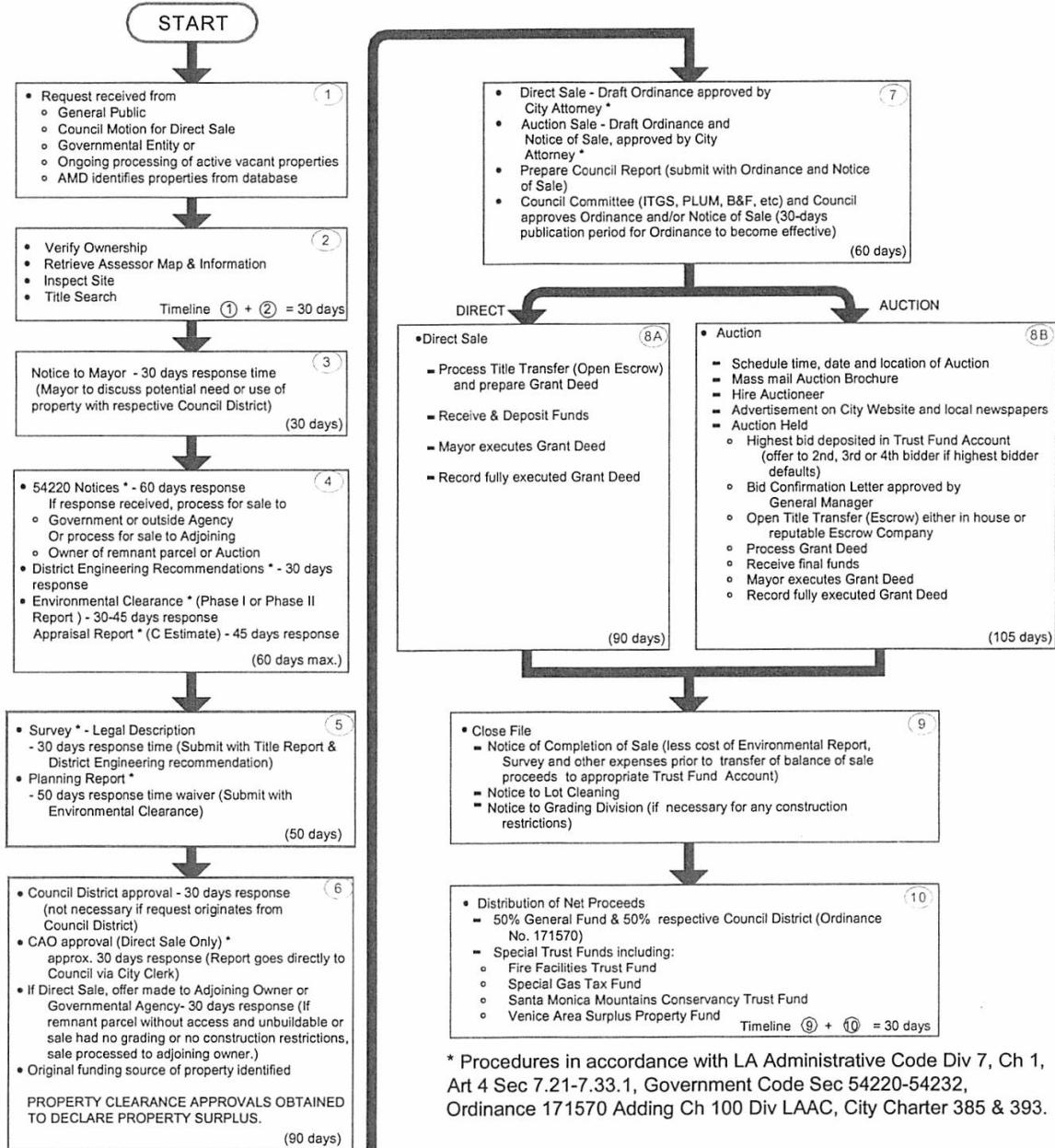
⁴ California Constitution Article XVIII § 3.

⁵ The source of the information on Chart 1 is the General Services Division, City of Los Angeles. It is reproduced with the permission of the City.

Chart 1



SURPLUS PROPERTY PROCEDURE



* Procedures in accordance with LA Administrative Code Div 7, Ch 1, Art 4 Sec 7.21-7.33.1, Government Code Sec 54220-54232, Ordinance 171570 Adding Ch 100 Div LAAC, City Charter 385 & 393.

DIRECT SALE / AUCTION

B. Information Requests On Excess City Property

The CGJ found it difficult, at times, requesting and receiving required information from GSD/RES. In our opinion, it took longer to get data than was necessary.

Without sufficient current data on which to make recommendations, CGJ resorted to reading past audits and news articles relating to GSD/RES. The information that was reviewed showed a lack of management control and no up to date database.

On March 5, 2008, Laura Chick, then Los Angeles City Controller said “Nearly five years ago, I released an audit of the City’s management of its real estate assets. We found it desperately lacking and in need of vision and mandate in managing these valuable assets. In the follow-up audit I released today, we found that, while the Department has made some initial progress, most of the recommendations have not been implemented.”⁶ [sic]

In another audit of GSD’s process for “Disposition of City’s Surplus or Obsolete Items and Equipment,” dated December 17, 2015, Ron Galperin, the Los Angeles City Controller, found “a lack of effective management controls: No City-wide inventory of equipment is available, nor does anyone systematically keep track of what is sold. Moreover, there is no oversight.”⁷ Although this audit covered non-real estate items auctioned by the City, it appears to be indicative of the lax oversight and management at GSD.

⁶ Follow up audit of GSD’s Asset Management Division, March 5, 2008. <http://cityclerk.lacity.org/lacityclerkconnect>

⁷ Los Angeles City Audit, “Disposition of City’s Surplus or Obsolete Items and Equipment” dated December 17, 2015.

C. The Direct Sale Of 4230 Coldwater Canyon, Studio City

An article in the Los Angeles Times dated July 14, 2015, detailed the sale of an old firehouse on Coldwater Canyon at Ventura Boulevard to a developer without competitive bids, and in a seemingly questionable manner. The property had been damaged in the 1994 Northridge earthquake which had rendered it inoperable. The property is surrounded by the Sportsmen's Lodge Events Center on three sides, and the fourth side fronts onto Coldwater Canyon.⁸

There are limited circumstances when the City may sell excess City property directly without offering it for sale on the open market, such as, through a real estate broker (on the Multiple Listing Service). However, if the City-owned property is a "remnant" as defined in the City of Los Angeles Administrative Code (LAAC) section 7.27,⁹ it may be sold directly to an adjacent property owner

The City Council made a decision in 2008 to declare the property "surplus" and to sell it. In the next year, two appraisals were obtained for the property.

In the Los Angeles Times article, it states that there were a total of three appraisals on the property. The first appraisal in 2008 had a valuation of \$1.7 million, which was received by the CGJ. A second one was done the same year (by the same appraiser) valuing the property at \$1.5 million. A third City appraisal was performed by a different appraiser, and the value was stated "about one million." The developer also had an independent appraisal performed at \$900,000.¹⁰

A request was made by the CGJ on March 8, 2016, to GSD/RES for copies of all three City-contracted appraisals. Only two appraisals were received, both performed by outside professional appraisal companies.

The second appraisal was performed on May 7, 2008, and included an allowance of \$40,250 for demolition of the existing property, making the appraisal total \$1.5 million.¹¹ On August 12, 2008, Council File No. 08-1961¹² authorized GSD/RES staff to start negotiations with Weintraub Financial Services for the direct sale of the property.

The CGJ also received the third appraisal on the property that was completed on March 23, 2009. This appraisal allowed \$20,000 for the demolition of the existing building and provided an appraisal estimate of \$1.015 million.

A purchase price of \$1.015 million was negotiated in June 2009. A 10% deposit on the purchase price would have given the buyer a one year option to purchase the property. The economic downturn interrupted this sale, and no deposit was ever made on the property. On January 7, 2014, the property was reappraised at the request of the City,

⁸ Los Angeles Times, "Public Land, Private Deals," July 14, 2015 (hereafter "LA Times Article").

⁹ LAAC, Division 7, Article 4, Sale of Real Property No Longer Required for use of the City.

¹⁰ See LA Times Article, supra.

¹¹ Ibid.

¹² June 30, 2009, Council File No. 08-19612. <http://cityclerk.lacity.org/lacityclerkconnect>

and the new appraisal was \$1.010 million. The offer was opened to the same buyer at the price previously quoted in 2009.¹³

In a series of actions, the City Council:

March 25, 2014, declared the property as surplus City property (CF 14-0138).¹⁴

March 25, 2014 directed GSD to prepare the property for sale (CF 14-0138).¹⁵

March 27, 2014, directed GSD and the City Attorney negotiate a purchase agreement with Werwer One Thousand LLC (CF 14-0138-S1).¹⁶

A report by the CAO (CAO File No. 150-08814-0001, November 7, 2014) declared:

“To the best of our knowledge, the proposed sale is in accordance with Charter Section 395 Sale of Property, LAAC Section 7.22. Recommendations Required of City Departments; LAAC Section 7.27 Private Sale; and California Code Section 54220 Surplus Land, which establish the basic guidelines for the sale of City-owned surplus property. Further, pursuant to LAAC Section 7.27, the CAO reviewed the proposed direct sale and recommends approval of the sale.”

Having reviewed the sale of the property, the CGJ finds that the sale was within the requirements of the law. The City administrative code gives the CAO the power to sell the property at fair market value in a direct sale. The CGJ questions whether the best possible price was negotiated for the sale of this property, and if additional funds could have been added to the General Fund on this sale. Sales such as these are based on appraised value, making the importance of accurate appraisals to be of utmost importance.

D. The Appraisals And The Estimates Of Value Of City Owned Real Estate

The transfer of surplus City real estate generally begins with an appraisal to determine the fair market value of the land that will be offered for sale. Appraisals and value estimates may be “in-house,” that is performed by GSD staff (Class “C” Estimates), or they may be performed by an outside fee-appraiser selected by GSD (Class “A”).

The Class “A” fee appraisals are far more comprehensive than the Class “C” Estimates of value (see section II, D.1. following). The CGJ received several Class “A” appraisals of excess City property. The appraisals included, among other things, the following information on the property being appraised and that of comparable parcels: photographs, maps, and Multiple Listing Service data. Additionally, the fee appraisals show adjustments made by the appraiser to arrive at the value conclusion.

The accuracy of the appraisals and of the Class “C” Estimates of value is essential to determining what fair price can be realized for the sale of any City owned property. For

¹³ See LA Times Article, supra.

¹⁴ March 25, 2014, Council File No. CF 14-0138. <http://cityclerk.lacity.org/lacityclerkconnect>

¹⁵ Ibid.

¹⁶ March 27, 2014, Council File No. CF 14-0138-S1. <http://cityclerk.lacity.org/lacityclerkconnect>

example, if an appraised value is too low, the City would likely sell or transfer the property for too low a value. An inaccurately high appraised value may cause the property to be offered for too high a value, causing a property to sit on the market for a longer period than would have been necessary.

GSD is responsible for the selection of fee appraisers. GSD has provided the CGJ copies of several of the appraisals that were prepared for the City by fee appraisers. Additionally, the CGJ has received several estimates of value that were prepared by GSD staff (Class "C" Estimates).

Class "C" Estimates are performed by GSD staff, including, among others, a Real Estate Officer or a Senior Real Estate Officer.

1. Qualifications of GSD appraisers

According to the City of Los Angeles Class Specification Bulletin(s), the Real Estate Officer and the Senior Real Estate Officer staff are each required to possess either a "State of California Certificate Appraisal License" or an International Right of Way Association (IRWA) Relocation Certificate.¹⁷

The California Certified Appraisal License has two levels, the residential and general license. It is not clear which "Certified" license is being referred to in the City specifications and there are significant differences.¹⁸

- A Certified Residential Appraiser license allows an appraiser to value "Any non-complex 1-4 unit family property with a value up to \$1 million, and non-residential property with a value up to \$250,000."¹⁹
- The Certified General Appraiser license allows an appraiser to appraise all real estate without regard to value or complexity."²⁰

The Certified General license requires more strenuous education and experience. The City should clarify the level required in the "Class Specification Bulletins" for the Real Estate Officer and the Senior Real Estate Officer to specify which State of California Certificate Appraisal License is required. The CGJ believes if either one will suffice, it should be so stated. Additionally, equal to or higher designations such as an MAI (Member of the Appraisal Institute) should be allowed in lieu of a State of California Certified or the Certified General License.

The CGJ believes that GSD staff assigned to estimate the value of excess City real estate should be required to possess an appropriate current State of California Certified

¹⁷ City of Los Angeles-Class Specifications Bulletin; Class Code: 1961; 1960. <http://cityclerk.lacity.org/lacityclerkconnect>

¹⁸ California Bureau of Real Estate Appraisers, 2015 Licensing Handbook, Summary of Each Licensing Level, p. 4. http://www.orea.ca.gov/html/Lic_Hdbk.html

¹⁹ Ibid.

²⁰ Ibid.

General License, and/or an appropriate designation for the property appraisal assignment, such as an MAI from the Appraisal Institute.

2. Class “C” Estimates of value

The Class “C” Estimates of value that the CGJ has reviewed were used for “budgetary and/or information purposes” and included limited information. See Chart 2.

Chart 2

Information in Class “C” Estimates	YES	NO
Value Conclusion	X	
Address and parcel number	X	
Current property use	X	
Building area	X	
Lot area	X	
Zoning	X	
Topography	X	
Highest and best use	X	
Land value and improvement value conclusion	X	
Total value conclusion	X	
Data used to arrive at the value conclusion		X
Analysis used to arrive at value conclusion		X
Unusual or detrimental conditions		X
Approach to value-i.e. comparative sales, income, cost		X

Source: Betts, Richard M., and Ely, Silas, *Basic Real Estate Appraisal*, South-Western Educational Publishing (2005).

The CGJ acknowledges that Class “C” Estimates are meant to be a shorter procedure to evaluate real estate. The CGJ requested attachments, if any exist, for the Class “C” Estimates. However, no response to the request was received, so attachments may not exist. The CGJ believes the estimates should include concise statements with the following information: the appraisal approach used to value the property, a list of data that supports the value conclusion, other relevant data affecting value, and an explanation of the analysis to arrive at the value conclusion. If another document has the supporting information it should be attached to the Class “C” Estimates.

According to GSD, the Class “C” Estimates have never been audited. The Class “C” Estimates should be audited periodically.

E. Real Estate Sales And Councilmembers “Discretionary Funds”

The LAAC Section 5.500 states in sum that each Council District (CD) shall have a fund into which monies from City sales of surplus property will be deposited. “Fifty percent (50%) of all net proceeds collected from each sale (of surplus City real property) is deposited into the fund for the CD in which the property is located (Discretionary

Funds or Council District Real Property Fund).²¹ The Council District Real Property Fund (CDRPF) may be used by a Councilmember exclusively for his or her district for a variety of purposes including funding programs within the district or the construction or maintenance of improvements. Certain types of City property such as unused fire stations and animal shelters are exempt from this rule.²²

In the years 2008-2009 and 2009-2010, Los Angeles City Ordinances, 180,206 and 180,764, respectively, amended this provision of the Administrative Code so that 100% of the net proceeds from the sale of surplus properties would instead be placed in the General Fund. These monies helped the City meet obligations in the slowing economy.²³

An audit by the City Controller in 2010 indicated that from July 1, 1997, through September 30, 2009, \$25 million had been deposited into the CDRPF that could have been used in the General Fund. It was suggested at that time that the ordinance suspending the 50/50 split be continued, but it was never acted upon.²⁴

There have been many instances where properties were purchased in one Council District, and due to re-districting, the net proceeds from the property being sold were credited to a different district. Other instances show that property was purchased with monies 100% from the General Fund, but only 50% is returned to that Fund when the property was sold. Variances in property values, as well as the number of properties available and sold, in the different Council Districts affect the monies that are deposited into the CDRPF.

There is, in fact, a huge discrepancy in funds received by the different districts from the sale of surplus land.

²¹ LAAC § 5.500(a). <http://cityclerk.lacity.org/lacityclerkconnect>

²² November 7, 2014, CAO File No. 0150-08814-0001. <http://cityclerk.lacity.org/lacityclerkconnect>

²³ Ordinances 180,206 and 180,764. <http://cityclerk.lacity.org/lacityclerkconnect>

²⁴ "Follow up audit of GSD's Asset Management Division, March 5, 2008. <http://cityclerk.lacity.org/lacityclerkconnect>

Chart 3 shows the proceeds that have been applied to CDRPF for the years 1998 through 2010. This information is the most up to date that the Los Angeles City Controller's office can offer.

Chart 3

**Sales of Surplus Property Revenue
Summary by Council District**

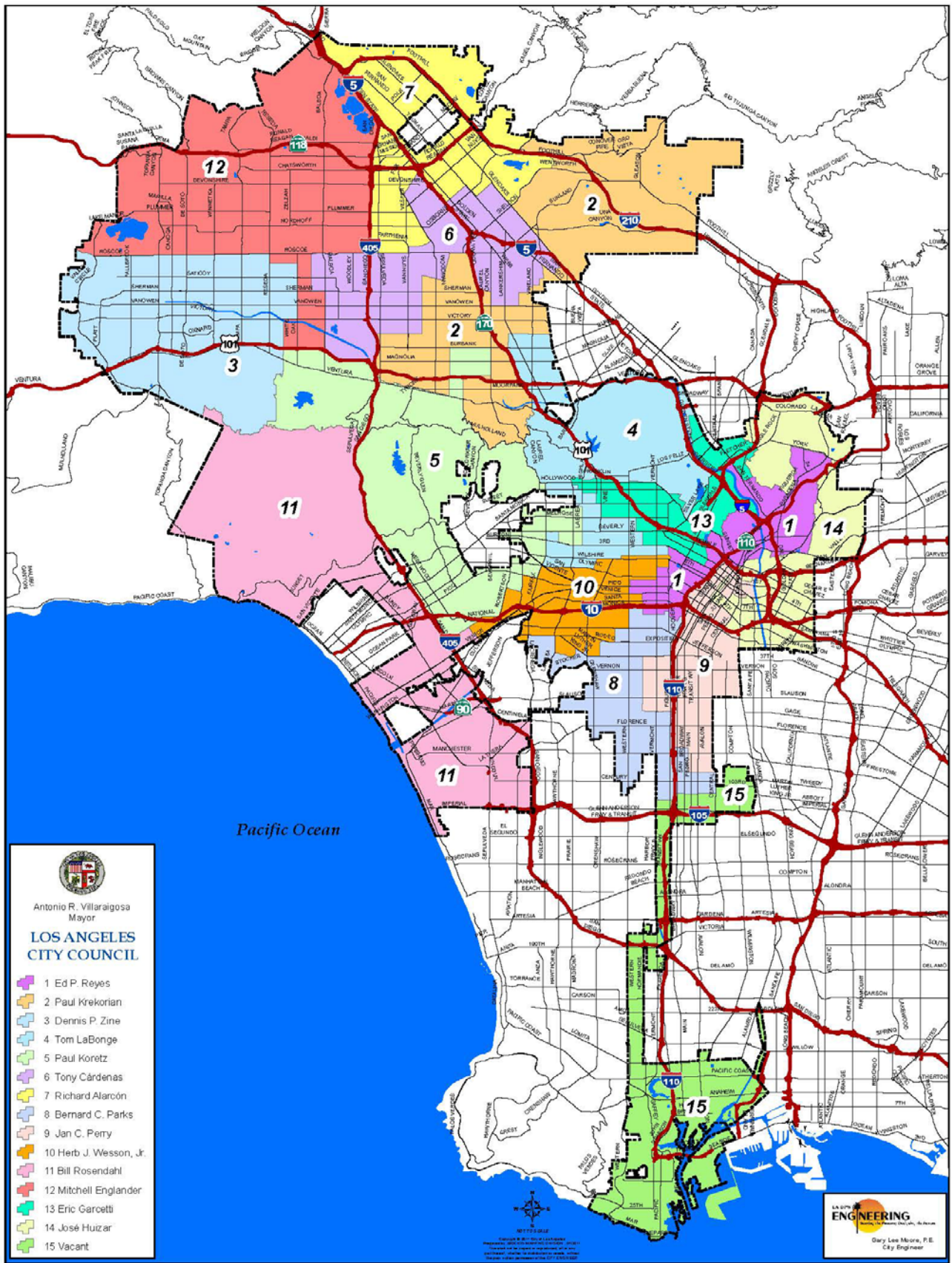
Council District #	Fund	Fiscal Year Ended													Total
		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 (1)	
1	683	-	-	\$136,929	-	-	1,750	-	-	-	-	-	-	-	\$138,679
2	684	-	-	910	-	-	-	-	-	29,908	17,268	-	-	-	\$48,086
3	685	-	-	-	-	-	-	-	-	3,120	40,737	-	-	-	\$43,857
4	686	-	-	8,542	-	-	986	-	-	-	-	-	-	-	\$9,528
5	687	-	47,893	-	20,000	4,275	-	-	15,083	-	-	-	-	-	\$87,250
6	688	-	-	788	237	10,000	-	-	-	21,365	-	-	-	-	\$32,390
7	689	-	-	-	6,500	-	1,155,051	-	7,459	-	1,000	-	-	-	\$1,170,010
8	690	-	-	-	-	-	-	-	-	-	277,430	-	-	-	\$277,430
9	691	-	-	-	-	-	7,430	-	-	-	-	-	-	-	\$7,430
10	692	-	-	-	-	-	-	-	-	-	1,117,744	-	-	-	\$1,117,744
11	693	-	-	222	234,730	-	769,920	-	-	-	5,000	5,400	-	-	\$1,015,272
12	694	3,274	-	-	-	-	-	-	-	-	215,378	-	-	-	\$218,652
13	695	-	-	-	-	-	15,640	-	-	-	-	-	-	48,750	\$64,390
14	696	-	-	285,000	-	-	1,101,298	-	-	-	17,313	-	-	-	\$1,403,611
15	697	-	-	29,893	-	-	413,281	-	-	-	143,861	-	-	-	\$587,035
Total		\$3,274	\$47,893	\$462,283	\$261,466	\$14,275	\$3,465,356	\$0	\$22,542	\$54,393	\$1,835,732	\$5,400	\$0	\$48,750	\$6,221,364

(1) Through September 30, 2009.

Source: "Audit of Real Property Trust Fund Revenues," reprinted from report of the Office of the Controller to the Chief Administrative Officer, City of Los Angeles, dated February 10, 2010. The CGJ was informed by the Los Angeles City Controller that the \$48,750 entry to CD 13 in 2010 adjusted an incorrect entry from 2006.

The Los Angeles City Council District Map (on the opposite page) corresponds with Chart 3.²⁵

²⁵ Source for the Los Angeles City Council District Map on page 367 is: <http://navigatela.lacity.org/common/mapgallery/cd.cfm>



F. Comparisons With Nine Other Cities

Source: created by the CGJ using information collected in telephone calls with officials in the listed jurisdictions.

Cities	Do you have a city surplus R.E. ordinance?	Do you have/maintain a complete/up to date real property database?	How many surplus/unused properties are on the list?	How do you dispose of real properties?
Dallas	We follow our Dallas City Code (Section 2.26.4) along with the Texas local government code (Section 272). When declaring a property surplus, we do so by resolution.	Currently we keep our records in an access database. We will soon migrate to a web-based module that will house all city-owned property and their characteristics. This module is being created by our GIS department, and we are hopeful to go live in the next few months.	8	By way of sealed bid or public auction. The Texas Local Government Code list some exceptions that allow direct sales for affordable housing, economic development projects, entities with the power of eminent domain and a few others.
Philadelphia	Yes	Yes, both surplus and managed city properties.	Approximately 6500	The department of Public Property disposes of property through a process that uses the Philadelphia Industrial Development Corporation (PDIC) as an intermediary (required by the City Charter to use an authority for these transactions).
Houston	Yes	There are three separate real estate groups within the City that maintain a surplus list, Airport, Public Works & Engineering Department & General Services.	20-30	Properties are declared surplus to individual department needs: then canvassed to other departments. If no department finds a need for them, it is declared surplus to the City needs via a City Council action. Then we try and sell the property through either a direct sale or hire a broker to list & market the property.
Chicago	Yes	Did not respond	13,000	Competitive bidding, appraised value, reduced price in return for public benefit, reduced price to adjacent or neighboring homeowners.
San Francisco	Yes	Yes	Did not respond	After providing appropriate notice to local, state, and federal agencies, (affording them the opportunity to acquire), then most sales are by either sealed bid or public auction process.
Oakland	Yes	Yes, all surplus properties are on our city real estate website.	6	Market with our real estate staff. Website, listing websites, Costar, LoopNet, etc.
Long Beach	No	Yes	200	Direct to adjacent property owner, through market listing with a broker, through a request for proposal solicitation.
San Antonio	No, we go to ordinance for each property to be declared surplus.	Not at this time.	Over 500	Given direction to dispose of property, background information is gathered on the property, determination is made. Direct sale or competitive sealed bid, canvass property, order survey and appraisal, advertise property for competitive sealed bid, develop marketing plan, bids are submitted and bidder is selected, notified, 10 days to sign & close.
Los Angeles	Yes	Partial list, not a complete list.	Over 1000	After declared surplus, auction or direct sale.
New York	Did not respond	Did not respond	Did not respond	Did not respond

Cities	Who makes the decision to sell these properties?	How many of these properties have been sold in the past five years?	What was the total dollar amount sold?	Is any percentage of the sales price applied for use by the City Councilmember in whose district the property was sold?
Dallas	Ultimately the Dallas City Council.	43	\$15 million	No, any proceeds received will be credited to the original purchasing department or find account.
Philadelphia	A request to purchase property comes from either PIDC marketing efforts, City Council or interested parties contacting our Department. The Administration, in conjunction with the respective Council person, makes the decision to move forward with the sale.	Department of Public Property has sold 103 properties. This does not include properties sold through the Vacant Property Review Committee.	\$14,221,549	No, the proceeds are deposited into the City's general fund.
Houston	The director of the General Services or the Mayor's Office (Chief Development Officer).	26	\$851,000,000	No, the funds generally go back into the General Fund which is used for a variety of purposes.
Chicago	The City Council	Approximately 550 tax parcels	\$28,000,000	No, the funds go back to the account which was used to purchase the property.
San Francisco	Did not respond	Did not respond	\$50,000,000 in the past 10 years.	No, proceeds go to affordable housing projects led by the mayor's office of Housing & Community Development.
Oakland	Administration after following surplus lands act.	Did not respond	Did not respond	It depends if the revenues has already been budgeted/allocated it. If not Council as a whole can appropriate funds how they see fit.
Long Beach	The Long Beach City Council, acting on behalf of the City of the Successor Agency of the City of Long Beach	11	\$5,040,000	No, except for the sale of the former Redevelopment Agency parcels, 75% of the City's shares of the proceeds of the sale (which are 21% of the net proceeds) are reserved for use in the Project Area from which the properties are sold. Many project areas are within specific Councilmember's Districts.
San Antonio	Did not respond	Did not respond	Did not respond	Did not respond
Los Angeles	City Council	44	\$36,179,575	50%
New York	Did not respond	Did not respond	Did not respond	Did not respond

III. METHODS AND PROCEDURES

The CGJ reviewed Council Ordinances and decisions concerning surplus property disposition. Several newspaper articles detailing how the City handled real estate transactions were researched by CGJ. One particular article regarding the sale of one property that was sold without bid or auction appeared to be especially egregious and formed the beginning of this investigation. As the CGJ progressed, several other areas of concern began to appear, and we widened our scope of investigation to include those other areas as well.

To understand this complex process, the CGJ interviewed the Chief Deputy Auditor Controller, met with a City Council member, GSD personnel, and the City and County RES staff. The CGJ also reviewed building and safety records, Municipal Ordinances, California law, court documents, City web sites, Los Angeles County Assessor's Public Records, the "C" appraisal process and Class "C" Estimates, as well as Class "A" appraisals. The CGJ conducted a survey that compared how other municipalities used proceeds from the sale of surplus property.

IV. FINDINGS

1. Los Angeles City has excessive real estate holdings that are unused, and have no future plans of using these parcels.
2. The City of Los Angeles does not have a comprehensive database of all unused, available parcels of land for sale.
3. Fifty percent of most surplus real estate funds pass into Councilmembers' Discretionary Funds.
4. Eleven properties were sold in 2014-2015 for a total value of \$3,883,800.
5. Forty four properties were sold in the last five years for a total of \$36,179,575.
6. Class" C" appraisals have never been audited.
7. The Surplus Property Procedure can take up to 2.5 years, or more.
8. The City Council makes the decision to declare property surplus and to offer it for sale.
9. Oakland lists surplus properties on its city website.
10. Of the nine other largest cities surveyed, no other city applies any funds from the sale of surplus property into City Council members' discretionary funds.

V. RECOMMENDATIONS

- 17.1 The Los Angeles City Controller should implement a full and comprehensive audit of General Services Division/Real Estate Services and their operations relating to the sale of surplus city land within the next 12 months.
- 17.2 The City of Los Angeles should install an up-to-date computer inventory program to provide a comprehensive inventory of all real estate holdings in the City within the next 12 months.
- 17.3 The Los Angeles City Council should within 90 days, enact an ordinance stating that all proceeds from surplus real estate sales be deposited into the General Fund.
- 17.4 The City of Los Angeles should list all surplus property available on its General Services Division/Real Estate Services website within two years.
- 17.5 The City of Los Angeles should update the Surplus Property Procedure to lessen the time needed to complete a sale within six months.
- 17.6 The City of Los Angeles should instruct the Los Angeles City Controller to conduct an audit of the Class "C" Estimates every two years.
- 17.7 The City of Los Angeles should clarify the class specifications for the Real Estate Officer and the Senior Real Estate Officer so that the specific type(s) of California Certified Appraisal Licenses are stated. If both are sufficient, the specifications should be modified within six months.
- 17.8 The City of Los Angeles should appoint a dedicated manager to direct General Services Division/Real Estate Services whose focus is to implement a plan to reasonably sell surplus real estate at or above appraised value.

VI. REQUEST FOR RESPONSE

California Penal Code Sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court). Responses shall be made in accord with the Penal Code Section 933.05(a) and (b).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
Los Angeles County Superior Court
Clara Shortridge Foltz Criminal Justice Center
210 West Temple Street
Eleventh Floor-Room 11-506
Los Angeles, CA 90012

Responses are required from:

Los Angeles City Controller: 17.1
The City of Los Angeles: 17.2, 17.3, 17.4, 17.5, 17.6, 17.7, 17.8

VII. ACRONYMS

AMD	Asset Management Division
BOS	Board of Supervisors
CD	Council District
CDRPF	Council District Real Property Fund
CGJ	Civil Grand Jury
City	City of Los Angeles
GSD	General Services Division
IRWA	International Right of Way Association
LAAC	Los Angeles Administrative Code
LAMC	Los Angeles Municipal Code
RES	Real Estate Services

VIII. COMMITTEE MEMBERS

Sandy A. Orton	Chair
Rene Childress	
Debra Cohen	
Judy Goossen Davis	



STANDING COMMITTEE REPORTS



AUDIT COMMITTEE

AUDIT COMMITTEE

I. EXECUTIVE SUMMARY

The purpose of the Audit Committee of the Civil Grand Jury (CGJ) is to oversee contracting with outside auditors and to assist investigative committees examine issues that require an audit.

II. BACKGROUND AND METHODOLOGY

The selection of auditors was based on each firm's schedule, budget proposal, subject matter expertise and prior experience dealing with the CGJ.

The CGJ requested audits of:

1. The oversight of the issuance by Los Angeles County school districts of capital appreciation bonds with a high debt to equity ratio, and ways to mitigate their impact.
2. The parking supply at metro stations in Los Angeles County.
3. The effectiveness of the new funding methodology of Los Angeles Unified School Districts.
4. The effectiveness of Metropolitan Transportation Authority's compensation for disruption to small businesses due to construction along the metro line on Crenshaw Boulevard.

III. ACRONYMS

CGJ Civil Grand Jury

IV. COMMITTEE MEMBERS

Victor Lesley	Co-Chair
Arun Sharan	Co-Chair
Heather Preimesberger	Secretary
John Anthony	
Patricia Turner	

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CITIZENS' COMPLAINTS COMMITTEE

CITIZENS' COMPLAINTS COMMITTEE

I. EXECUTIVE SUMMARY

The Citizens' Complaints Committee (CCC) is a standing committee of the Civil Grand Jury (CGJ). The CCC receives and resolves complaints from private citizens regarding Los Angeles County, city governments, agencies, and special districts within the county.

II. BACKGROUND AND METHODOLOGY

Communications from the public can provide valuable information to the CGJ. Any citizen may submit a completed complaint form to request that the CGJ initiate an investigation. The complaint must be in writing and is treated as confidential. Prior to submitting the complaint form to the Grand Jury office, all parties should maintain a copy for their records. All complaints are acknowledged.

The CCC reviews each complaint and determines which, if any, to investigate. After all submitted complaints are analyzed and reviewed, the complaints are presented to the entire CGJ for final disposition.

The CGJ's jurisdiction does not extend to reviews of judicial performance, or court actions, whether civil or criminal. Likewise, all federal and California state functions or out-of-state matters fall outside the purview of the CGJ.

If the CGJ determines that a matter is within the legally permissible scope of its investigative powers and would warrant further inquiry, additional information may be requested. If a matter does not fall within the jury's investigative authority, or the jury determines not to investigate, no action will be taken and there will be no further contact with the complainant from the CGJ.

The findings of any investigation conducted by the CGJ can be communicated only in the formal final report published at the conclusion of the CGJ's term, June 30th.

Citizens who wish to submit complaints to the CGJ can find the complaint form and guidelines at the CGJ website: www.lacourt.org/forms/pdf/CitizensComplaint.pdf

The committee reviewed 112 complaints, and took the following actions:

Item	Category of Complaints	Number
1	Animal Shelter Complaints	68
2	Civil Rights Violations	5
3	Complaint Against Dental School	2
4	Court Case Complaints	10
5	Dept. of Children and Family Services	1
6	Issues Regarding Local Government Agencies	2
7	Misappropriation of Government Funds	1
8	Miscellaneous	9
9	Police/Sheriff Abuse of Authority and Assaults	11
10	Tap Card Issue	1
11	Whistle Blower Case	1
12	Wrongful Termination	1
	Total Complaints	112

Item	Disposition by Civil Grand Jury	Number
1	Reviewed, no action	72
	A. No jurisdiction over subject matter	36
	B. Insufficient information	1
	C. Unsupported	0
2	Referred to District Attorney	3
	Total Complaints	112

III. ACRONYMS

CCC Citizens' Complaints Committee
CGJ Civil Grand Jury

IV. COMMITTEE MEMBERS

John Anthony Co-Chair
Rita Hall Co-Chair
Francine DeChellis Secretary
Judy Goossen Davis
Marina LaGarde
Edna McDonald
Bob Villacarlos
George Zekan



CONTINUITY COMMITTEE

CONTINUITY COMMITTEE

I. EXECUTIVE SUMMARY

The Continuity Committee serves as a bridge between prior and future Civil Grand Juries.

II. BACKGROUND AND METHODOLOGY

The California Penal Code, section 933(c) mandates each Civil Grand Jury (CGJ) maintain a five year record of previous CGJ final reports and a five year record of responses by public agencies to the recommendations of prior reports. In addition, the committee has the responsibility to ensure that public agencies fulfill their legal obligations to respond in a timely and legal manner to the prior year recommendations.

California Penal Code, section 933(c) allows a public agency ninety days to respond to CGJ recommendations. California Penal Code, section 933.05(b) states that the response by the public agency to the recommendation be one of the following: has been implemented; will be implemented; requires further analysis; or will not be implemented.

To comply with its statutory duties and responsibilities, the 2015-2016 CGJ Continuity Committee reviewed and analyzed the recommendations and responses made by the previous five Civil Grand Juries and responding agencies.

Table 1 is a compilation of the total number of evaluated recommendations and responses.

Table 2 illustrates responses to the 2010 through 2014 CGJs' recommendations which were incomplete according to the penal code. These included agencies responding that they needed "Further Analysis" or did not respond. The committee determined which agencies needed to reply and notified them in writing. All agencies have responded to our correspondence.

Table 3 lists recommendations made by the 2014-2015 CGJ and the responses received from the responsible agencies.

TABLE 1
Total Number of Evaluated Recommendations and Responses

	2010 2011	2011 2012	2012 2013	2013 2014	2014 2015	TOTAL
Number of Recommendations Analyzed	196	116	732	131	60	1,235
Number of "No Responses"	0	3	0	0	0	3
Number of "Further Analysis Needed"	0	22	36	12	8	78
Number of Letters Sent Out	0	8	5	2	2	17
Number of Recommendations Addressed	0	25	36	11	10	82
Number of Responses to Letters Sent Out	0	8	5	0	2	15

**TABLE 2
Incomplete Responses for 2010-2014**

Title of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will not Implement
Charter Cities' Fiscal Health, Governance and Management Practices 2011-2012	City of Cerritos	9	Charter cities should formally establish an audit committee making it directly responsible for the work of the independent auditor				X
	City of Compton	5	All charter cities reviewed in this report should adopt a method and practice of saving into a reserve or "rainy day" fund to be supplement operating revenue in years of short fall [sic]	X			
	City of Downey	9	Charter cities should formally establish an audit committee making it directly responsible for the work of the independent auditor	X			
		14	Charter cities that have not adopted a policy requiring an unrestricted fund balance of no less than two months of regular general fund operating revenues or regular general fund operating expenditures should develop such policies	X			

Title of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will not Implement
Charter Cities' Fiscal Health, Governance and Management Practices 2011-2012	City of Inglewood	19	All charter cities reviewed in this report should provide policies and procedures for ensuring prices negotiated for substantial contract change orders are fair and reasonable, and establish internal controls over substantial contract change orders so that same contractors not repeatedly awarded contracts [sic]		X		
	City of Pasadena	4	All charter cities reviewed in this report should adopt multi-year budgets for better planning to ensure the delivery of basic services before funding projects of lower priority	X			
		11	Charter cities should review and update accounting policies and procedures to ensure they are appropriately detailed and define the specific authority and responsibility of employees	X			
	City of Redondo Beach	1	All charter cities reviewed in this report should adopt financial planning, revenue and expenditure policies to guide cities' officials to develop sustainable, balanced budgets	X			

Title of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will not Implement
Charter Cities' Fiscal Health, Governance and Management Practices 2011-2012	City of Redondo Beach	2	All charter cities reviewed in this report should develop a balanced budget and commit to operate within budget constraints	X			
		3	All charter cities reviewed in this report should commit to not using one-time revenues to fund recurring or on-going expenditures	X			
		5	All charter cities reviewed in this report should adopt a method and practice of saving into a reserve or "rainy day" fund to be supplement operating revenue in years of short fall [sic]	X			
		10	Charter cities should formally establish an audit committee making it directly responsible for the work of the independent auditor	X			
		21	All charter city councils, and citizens of the cities, reviewed in this report should annually review the actual compensation received by employees of their cities	X			

Title of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will not Implement
Charter Cities' Fiscal Health, Governance and Management Practices 2011-2012	City of Redondo Beach	22	All charter city councils of the cities reviewed in this report should have access to prevailing municipal wage rates and/or salary ranges for comparable cities in order to identify any individual city position(s) whose salaries exceed the normal salary range for those positions	X			
	City of Santa Monica	9	Charter cities should formally establish an audit committee making it directly responsible for the work of the independent auditor	X			
Child Death Mitigation in Los Angeles 2011-2012	Chief Executive Office	3.3	The Director of Mental Health(DMH) and the Director of Children Family Services(DCFS) should approach officials of the Focus program at University of California Los Angeles(UCLA) to determine if it can be adapted to help reunified families	X			

Title of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will not Implement
Child Death Mitigation in Los Angeles 2011-2012	Chief Executive Office	3.5	The Director of DMH and the Director of DCFS should develop a more effective plan with needed funding to provide appropriate mental health services for high-risk children and their families	X			
Child Death Mitigation in Los Angeles 2011-2012	Department of Children Family Services (DCFS)	2.9	The director of DCFS should develop and implement a follow-up review after jurisdiction is terminated on a case, building on its efforts to date	X			
		3.3	The Director of Mental Health(DMH) and the Director of DCFS should approach officials of the Focus program at UCLA	X			
		3.5.1	The Director of DMH and the Director of DCFS should develop a more effective plan with needed funding to provide appropriate mental health services for high-risk children and their families	X			
Cities of Los Angeles County 2012-2013	City of Carson	5	Require financial procedures annual review & 3yr update	X			

Title of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will not Implement
Cities of Los Angeles County 2012-2013	City of La Puente	1	Establish an audit committee for independent auditor				X
		5	Require financial procedures for annual review & 3yr update				X
	City of Lynwood	6	Policies and procedures for anonymously reporting fraud	X			
	City of San Fernando	A.4	Have a "rainy day fund"	X			
		B.2	Develop and report on performances measures	X			
	City of Signal Hill	77.1	Establish an audit committee for independent auditor	X			
A Timely and Clean "Bill" of Health May Save \$285 Million 2013-2014	Department of Health Services	2.3	Expand the availability of patient financial services workers staff			X	
		2.11	Implement an electronic notification method for alerting physicians of patients' authorization from third party payers when follow-up services are required			X	

Title of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will not Implement
A Timely and Clean “Bill” of Health May Save \$285 Million 2013-2014	Department of Health Services	2.13	Require all facilities to prescreen for authorization of outpatient services			X	
Executive Directive No. 9 (Exec9) City of Los Angeles Lawsuits 2013-2014	City of Los Angeles Office of the Mayor	5.1.5	The Mayor’s Office must convene a high level meeting with department directors to discuss the purpose, implementation, process, and compliance expectations for the revised Executive Directors	X			
		5.2	Direct all city departments to comply with the revised Executive Directive related to Litigation Risk Management(LRM)	X			
		5.3	The Mayor’s Office must follow up on implementation progress to ensure that the requirements of the revised Executive Directive related to LRM are being implemented by city departments	X			

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will not Implement
Executive Directive No. 9 (Exec9) City of Los Angeles Lawsuits 2013-2014	City of Los Angeles Office of the Mayor	5.4	Include compliance with revised Exec9 as part of annual performance evaluations and salary reviews	X			

**TABLE 3
2014-2015 Recommendations and Responses**

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
Affordable Housing Affordable Housing	Los Angeles County Community Development Commission (CDC)	1.1	The CDC should review the recommendations made in the 2012 Affordable Housing and Economic Development Framework and Implementation Strategy regarding affordable housing funding and goals and revise accordingly, in collaboration with the CEO, to determine current and future funding needs		X		
		1.2	The CDC should continue to analyze project delivery costs associated with county-funded affordable housing developments to ensure that the 20 percent administration fee is appropriate			X	
		1.3	The CDC should determine how staffing levels would need to be adjusted		X		
		1.4	The CDC should revise the project summary reports produced in Tracker			X	

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
Affordable Housing	Los Angeles County Community Development Commission (CDC)	1.5	The CDC should submit Notices of Funding Availability that include county funds to the BOS for review prior to release				X
		1.6	The CDC should present to the BOS more-comprehensive monthly reports [sic]			X	
	Los Angeles County Board of Supervisor (BOS)	1.7	The BOS should review current funding levels to the CDC for affordable housing development to ensure that the levels are sufficient to reach county goals			X	
		1.8	The BOS should amend its 2013 motion			X	
		1.9	The BOS should consider permanent funding sources for affordable housing development			X	
		2.1	The implementation of PAD program should continue to allow each department to retain the choice of implementing or not implementing this program	X			

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
Automatic External Defibrillator (AED)	Los Angeles County Board of Supervisors	2.2	The BOS should implement education and training programs on the device before further investment is made in purchasing more AED and maintaining this program	X			
		2.3	LA should re-evaluate its PAD program and either eliminate or fully maintain this program	X			
City of Los Angeles Department of Public Works Dispute Resolution Protocol	City of Los Angeles Department of Public Works	3.1	The DPW and the Department of City Planning (DCP) should create joint project index numbers and a joint document storage system	X			
		3.2	The DPW should employ a tracking number system for each new dispute				X
		3.3	DPW and DCP should revise and promote a process for mailing notices of public hearings to nonresident owners of property in the area being noticed [sic]				X

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
City of Los Angeles Department of Public Works Dispute Resolution Protocol	City of Los Angeles Department of Public Works	3.4	DPW should make available to the public a dedicated telephone number for disputes only, on the department's websites and its offices				X
	Los Angeles Department of City Planning (DCP)	3.1	The DPW and the DCP should create joint project index numbers and a joint document storage system		X		
		3.3	DPW and DCP should revise and promote a process for mailing notices of public hearings to nonresident owners of property in the area being noticed				X
County Information System	Los Angeles County Chief Information Officer (CIO)	4.1	CIO should require, upon the completion of a software development project above the BOS cost threshold, a measurement of the efficiency of the development project		X		
County Information System	Los Angeles County Chief Information Officer (CIO)	4.2	The CIO should require, upon completion of a software development projects above BOS cost threshold, a measure of the success of the system (productivity metric)		X		

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
County Information System	Los Angeles County Chief Information Officer (CIO)	4.3	The CIO should establish a centralized quality control group to monitor the progress and problems of the system development projects		X		
		4.4	The CIO should provide a system development guideline		X		
		4.5	The CIO should provide a project management guideline or standard so that anyone can look at the project plan and see whether the project is on schedule or behind schedule		X		
		4.6	The CIO should provide training in its guidelines and standards		X		
		4.7	The CIO should continue to promulgate security standards	X			
		4.10	The Chief Data Officer(CDO) of the CIO should continue to standardized county data	X			
		4.13	The CIO should provide programming standards for each programming language used within Los Angeles County		X		

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
County Information System	Los Angeles County Chief Information Officer	4.14	The CIO should provide a guideline on the selection of a programming language for the development of a new system		X		
		4.15	The CIO should recommend that departments with COBOL based systems but insufficient numbers of COBOL programmers should consider using ITS support	X			
		4.16	The CIO should provide in-house training and formal classed as needed		X		
		4.18	The CIO should require a cost-benefit analysis to be provided by the department to the CIO to assess whether it is better to upgrade the existing system or acquire a new system		X		
	Los Angeles County Board of Supervisors	4.8	The BOS should provide ITS and the other county data centers with secure facilities	X			
		4.9	The BOS should promote production hosting by ITS		X		
		4.17	Where feasible, and when the purposed centralized data facility is operational, the BOS should require the transfer of outsourced production systems to that facility		X		

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
County Information System	Los Angeles County Internal Services Department (ITS)	4.11	The ITS should establish a council to set priorities for requests for services by ITS and discuss customer problems		X		
		4.12	ITS should institute written service-level agreements between clients and ITS		X		
Metro Ridership	Los Angeles County Metropolitan Transportation Authority	7.1	Metro should address the peak-time over crowding on the Orange Line BRT by adding services over its highest-demand segments				X
		7.2	Metro should not use achievement of the 33 percent fare box recovery rate as a justification for raising fares or increasing enforcement of fare collection				X
		7.3	Metro should not use armed officers to enforce fare collection				X

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
Metro Ridership	Los Angeles County Metropolitan Transportation Authority	7.4	Metro should place "stand right, walk left" escalators courtesy signage in stations/platforms				X
		7.5	Metro should post signage outside its station/platforms to alert bicycle riders to use the elevator				X
		7.6	Metro should improve its instructions to riders during a service outage while the riders are still in the rail cars and stations, and include information about the bus bridge and alternate routes the rider may take		X		
		7.7	Metro should add Wi-Fi to its fleet of buses		X		
		7.8	Metro should improve delivery of travel advisory information, clarifying and simplifying information on its screens	X			
		7.9	Metro should study charging for parking at all of its stations, offering monthly and daily options		X		

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
Metro Ridership	Los Angeles County Metropolitan Transportation Authority	7.10	Metro should handle parking internally or hire a local, Los Angeles County-based company to handle it	X			
Oversight of the Sheriff and Powers for the Office of Inspector General	Los Angeles County Board of Supervisors (BOS)	8.1	The BOS should ensure that the Office of the Inspector General has complete access to all Los Angeles Sheriff's Department confidential and employee records, with stringent rules against public release			X	
		8.2	The BOS should set a fixed term for the inspector general			X	
San Fernando Basin Aquifer Follow-Up	Los Angeles Department of Water and Power (DWP)	9.1	DWP research and development lab at the La Kretz Innovation Campus should work with the UCLA La Kretz for California Conservation Science to request academic research into groundwater remediation in the San Fernando Basin to help speed the cleanup of the San Fernando Basin Aquifer	X			

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
Sybil Brand Commission (SBC)	Los Angeles County Board of Supervisors	10.1	The BOS should clarify the SBC for Institutional Inspections obligation and right to inspect juvenile group homes	X			
	Sybil Brand Commission for Institutional Inspections (SBC)	10.2	The SBC for Institutional Inspections should conduct additional and more comprehensive jail inmate and staff interviews, which the SBC can accomplish by reducing the number of its meetings		X		
Detention	Los Angeles Police Department (LAPD)	14.1	The LAPD should continue recruitment efforts to fill vacant detention officers positions		X		
Detention	Los Angeles Police Department	14.2	LAPD management should communicate with staff at Northeast Police Station about steps being taken to ensure environmental safety at the site of the current and proposed buildings	X			
	Redondo Beach Police Department (RBPD)	14.3	The RBPD should ensure that all cameras are operational within the facility	X			

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
Detention	Los Angeles County Sheriff's Department (LASD)	14.4	The LASD should communicate with the Judicial Council of California about the Bellflower Courthouse Jail building to resolve safety issues due to radio dead zones and to repair the alarm system for exit doors. LASD should also upgrade the gun lock-up and ensure the temperature on the refrigerator meets the food safety standards	X			
Detention	Los Angeles County Sheriff's Department	14.5	LASD should communicate with the Judicial Council of California about repairing the Compton Courthouse holding area. LASD should ensure food for inmates is refrigerated properly		X		
		14.6	LASD should remove graffiti in the cells at East Los Angeles Courthouse Jail and should ensure the turn-out gear fits the deputies working at this facility		X		

Table of Report	Responsible Agency	Recommendation #	Brief Keyword Description of Findings and Recommendations Requiring a Response	Implemented	Will Implement	Further Analysis Needed	Will Not Implement
Detention	Los Angeles County Sheriff's Department	14.8	The LASD should promptly resolve the ongoing plumbing and pest issues in the Men's Central Jail building without waiting to address the larger issue of overcrowding		X		
	Los Angeles County Probation Department (LACPD)	14.7	The LACPD should repair/upgrade the Inglewood Juvenile Courthouse Jail. In addition, Probation should ensure the facility passes annual health inspection without any issues. Probation should install a refrigerator instead of using a portable cooler for storing food for the juveniles. Probation should streamline the 911 emergency call process at this facility		X		
		14.9	Probation should resolve staffing-level issues at its camps and properly maintain first-aid kits there [sic]	X			

**The complete responses are available at
<http://grandjury.co.la.ca.us/gjreports.html>**

III. ACRONYMS

AED	Automated External Defibrillator
BOS	Board of Supervisor
BRT	Bus Rapid Transit
CDC	Community Development Commission
CGJ	Civil Grand Jury
CEO	Chief Executive Office
CIO	Chief Information Office
DCFS	Department of Children Family Services
DCP	Department City Planning
DMH	Department of Mental Health
DWP	Department of Public Works
Exec9	Executive Directive No.9
IR	Interim Report
ITS	Information Technology Services
LACPD	Los Angeles County Probation Department
LAPD	Los Angeles Police Department
LASD	Los Angeles Sheriff's Department
LRM	Litigation Risk Management
METRO	Los Angeles Metropolitan Transportation Authority
PAD	Public Access Defibrillator
RBPD	Redondo Beach Police Department
SBC	Sybil Brand Commission
UCLA	University of California, Los Angeles

IV. COMMITTEE MEMBERS

Rene Childress	Co-Chair
Lorraine Stark	Co-Chair
Heather Preimesberger	Secretary
Victor Lesley	
Stephen Press	
Arun Sharan	
Cynthia Vance	
Bob Villacarlos	

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DETENTION CENTER COMMITTEE

DETENTION CENTER COMMITTEE

I. EXECUTIVE SUMMARY

California Penal Code Section 919 (b) requires the Los Angeles County Civil Grand Jury (CGJ) to inquire into the condition and management of the public jails, courthouse lock-ups, and juvenile camps within the county.¹ This includes the jails that house adults and are operated by municipal police agencies; jails and courthouses that are managed by the Los Angeles Sheriff's Department (LASD); and facilities for minors who are detained in juvenile halls and camps under the supervision of the Los Angeles County Probation Department (LACPD).

The 23 members of the 2015-2016 Civil Grand Jury selected 20 members to inspect the 138 detention facilities located throughout the 4,758 square miles of Los Angeles County. Inspection teams of two to four members conducted unannounced visits to all of these facilities between August 7 and November 13, 2015, to interview management and review the physical condition of each holding area, shower space, exercise area, educational and vocational program, dining room, food preparation area, and exterior space.

II. BACKGROUND AND METHODOLOGY

A. Detention Center Inspection Report

Each inspection team was responsible for writing a summary regarding each facility it inspected. From that information written recommendations were made and became extremely valuable parts of this report. The CGJ's inspections found that the detention facilities were in acceptable condition, however, many of them suffered from a lack of proper maintenance and repairs.

The inspection teams noted the omission of a defibrillator in virtually every lock up operated by the LASD and most county detention center locations. Local police departments, on the other hand, nearly always had this oftentimes lifesaving device on hand and regularly trained personnel to use it properly.

Larger groups of members visited the three largest county detention facilities, located in downtown Los Angeles and Castaic, in which over 8,000 detainees are housed in maximum security conditions. Two of the three are relatively new but the oldest facility, Men's Central Jail, is out of date, crowded, and presents high risk to its staff. This facility is scheduled to be replaced in the near future.

¹ CAL. PEN. CODE Section 919 (b) "the grand jury shall inquire into the condition and management of the public prisons within the county."

The general view of officers interviewed is that staffing levels are not adequate and their duties are overwhelming. The jail personnel made frequent references to procedures that require them to fulfill routine duties, such as escorting detainees between lock ups and court appearances, but due to a lack of sufficient personnel the procedures could not be safely followed as directed.

The most alarming complaint presented to jurors was the abuse sustained by jail personnel by incorrigible or mentally ill detainees, including the attacks on guards labeled “gassing.” Specifically this kind of attack may involve the throwing of bodily fluids as personnel pass through a cell block. As a result, this may require the deputy to undergo treatment for HIV and Hepatitis C exposure. Surveillance cameras are now prevalent in county lock ups and so it is highly unlikely that jail personnel ever retaliate for such attacks and, in fairness, none expressed any desire to do so.

B. Detention Center Inspection Results

Name Address Phone # of Facility	Date Inspection Results	Comments
77 th Street Station 7600 S. Broadway Los Angeles, CA 90003 213-473-4851	08/07/2015 Satisfactory	Highly organized, clean and neat facility. Exterior building needs better care. Disaster plan is posted. Defibrillators are checked daily, every shift.
Alfred McCourtney Justice Center 1040 W. Avenue J Lancaster, CA 93534 661-949-6503	09/04/2015 Satisfactory	This facility has two holding areas, one for juveniles, which is run by the Probation Department, and one for adults, which is run by LASD. The holding cells are clean. No one is held overnight.
Alhambra Courthouse 150 W. Commonwealth Ave. Alhambra, CA 91801 626-308-5209	08/07/2015 Satisfactory	A clean and well run facility.
Alhambra Police Department 211 S. 1 st Street Alhambra, CA 91801 626-570-5151	08/07/2015 Satisfactory	A clean and well run facility.
Altadena Station 780 E. Altadena Drive Altadena, CA 91001 626-798-1131	08/07/2015 Closed	Closed for about 5 years; detainees are taken to Crescenta Valley Sheriff’s Station.

Antelope Valley Courthouse 42011 4 th Street West Lancaster, CA 93534 661-974-7200	08/07/2015 Satisfactory	A clean and organized facility. The jail facilities are state of the art.
Arcadia Police Department 250 W. Huntington Drive Arcadia, CA 91723 626-574-5150	08/28/2015 Satisfactory	A beautiful and clean facility. This is a “pay-to-stay” facility at \$100 per night. On each cell door is a shield to block view if minor is passing through. The latest version of Operation Policy Manual (OPM) is online.
Avalon Station 215 Sumner Avenue Avalon, CA 90704 310-510-0174	08/28/2015 Satisfactory	This facility is clean and well maintained. There is high activity during tourist season.
Azusa Police Department 725 N. Alameda Avenue Azusa, CA 91702 626-812-3200	08/14/2015 Satisfactory	Jail is privately run by a company contracted with the City of Azusa. There are no defibrillators.
Baldwin Park Police Dept 14403 E. Pacific Avenue Baldwin Park, CA 91706 626-960-4011	08/28/2015 Satisfactory	Facility is clean and run smoothly, but not many detainees come here. This is a “pay-to-stay” facility. There is no defibrillator or OPM. Jailer has policy of putting personal effects in cubicles. They provide clothes for detainees and use outside laundry services.
Barry J. Nidorf Justice Center 16350 Filbert Street Sylmar, CA 91342 818-364-2011	09/04/2015 Satisfactory	A clean holding facility for juveniles awaiting trial.
Barry J. Nidorf Juvenile Hall 16350 Filbert Street Sylmar, CA 91342 818-364-2011	09/04/2015 Satisfactory	Facility is next to Barry Nidorf Justice Center and has a capacity of 700. The current population is 214 minors. A newer building of four wings serves as dormitory and classrooms. Juveniles being tried as adults are segregated in one wing and do not mix with the general population. Detainees are assigned to classes according to need with the aim of obtaining a GED. Facility is clean and neat. Personnel are well trained and knowledgeable.

Bell Gardens Police Dept 7100 Garfield Avenue Bell Gardens, CA 90201 562-806-7600	08/28/2015 Satisfactory	This facility is being remodeled at the present time. The staff is professional.
Bell Police Department 6326 Pine Avenue Bell, CA 90201 323-585-1245	08/21/2015 Satisfactory	This facility is clean. The EMTs are located next door. Defibrillators are available and personnel are well trained. Cameras are in hallways but not in the cells.
Bellflower Courthouse/Jail 10025 Flower Street Bellflower, CA 90706 562-804-8053	09/11/2015 Satisfactory	A clean facility. The staff is professional. No detainees are held overnight.
Beverly Hills Courthouse 9355 Burton Way Beverly Hills, CA 90210 310-288-1310	08/07/2015 Closed	Closed for the last 2 years. However, this facility can be reopened at short notice.
Beverly Hills Police Dept 464 N. Rexford Drive Beverly Hills, CA 90210 310-550-4951	08/07/2015 Excellent	This facility is located in a beautiful civic center complex; it is primarily meant for short stay detainees. It has a "pay-to-stay" program wherein detainees check in and serve a portion of their sentence, and then check out until the next time – their sentence must be served within a given period of time, rather than all at once.
Biscailuz Regional Training Center 1060 N. Eastern Avenue Los Angeles, CA 90063 323-307-8700	11/13/2015 Not in Service	A \$22 million, 36,000 square foot training facility reopened in 2014. No longer a holding facility. Should be deleted from Detention Center Inspection list.
Biscailuz Tactics and Survival Training Unit 1112 E. Sheriff Road Los Angeles, CA 90063 323-307-8700	11/13/2015 Not in Service	Clean and well managed facility occupied by special forces and canine units. No longer a holding facility. Should be deleted from Detention Center Inspection list.
Burbank Courthouse/Jail 300 E. Olive Avenue Burbank, CA 91502 818-557-3493	08/07/2015 Satisfactory	This facility is clean and well run; the staff is well versed in policies and procedures. It has state of the art equipment.
Burbank Police Department 200 N. Third Street Burbank, CA 91502 818-238-3217	08/07/2015 Satisfactory	This is a "pay-to-stay" facility. The charge is \$100 per day. It is clean and well run.

<p>Camp Clinton B. Afflerbaugh 6631 N. Stephens Ranch Rd. La Verne, CA 91750 909-593-4937</p>	<p>09/14/2015 Satisfactory</p>	<p>A nice facility with the capacity of 64 but housed 56 minors at the time of inspection. Dormitory type setting in three separate wings. This facility uses the same educational building as Camp Paige with similar programs. Adequate staff during the visit. The water fountain outside of the gym is out of order.</p>
<p>Camp David Gonzales 1301 N. Las Virgenes Road Calabasas, CA 91302 818-222-1192</p>	<p>08/31/2015 Unsatisfactory</p>	<p>The dining room floor was sticky. The outdoor, paved basketball courts need to be resurfaced. The playing fields need to be graded and leveled to prevent possible injuries. Well managed facility with a good educational program.</p>
<p>Camp Fred Miller 433 S. Encinal Canyon Road Malibu, CA 90265 818-889-0260</p>	<p>09/14/2015 Satisfactory</p>	<p>This facility works effectively with Mission College and other Community Colleges. It has a good shop class. The facility's condition is good.</p>
<p>Camp Joseph Paige 6601 N. Stephen Ranch Road La Verne, CA 91750 909-593-4921</p>	<p>09/14/2015 Satisfactory</p>	<p>Facility is clean and well run. It will be a fire camp facility in the future where detainees will be trained in fire suppression. Capacity is 80 but housed 62 at the time of the inspection. Ratio of staff is adequate. Based on the infraction, detainees are disciplined. Special Handling Unit (SHU) is not used. Behavior Management Program (BMP) snacks that are earned can be denied.</p>
<p>Camp Joseph Scott (Girls) 28700 N. Bouquet Canyon Rd. Santa Clarita, CA 91390 661-296-8500</p>	<p>09/14/2015 Satisfactory</p>	<p>The entire compound needs exterior paint, particularly around fascia and windows. Girls attend school. Many are able to take 6-10 week blocks of online college courses through Mission Hills College. Planning to include vocational education program for medical assistants. Bathrooms in dorms in great need of upgrade, but a serene and inviting campus.</p>

Camp Vernon Kilpatrick 427 S. Encinal Canyon Road Malibu, CA 90265 818-889-1353	09/14/2015 Not in Service	Closed for construction.
Carson Station 21356 S. Avalon Boulevard Carson, CA 90745 310-830-1123	09/04/2015 Satisfactory	Facility is clean; jailer is knowledgeable. The evacuation plan was posted.
Central Area Station 251 E. 6th Street Los Angeles, CA 90014 213-485-6588	08/28/2015 Satisfactory	This is an old facility that is crowded but run efficiently. Staff was professional and knowledgeable.
Central Arraignment and Courthouse/Jail 429 Bauchet Street Los Angeles, CA 90012 213-974-6068	09/04/2015 Satisfactory	This facility is clean and well run. A new building will be built.
Central Juvenile Hall 1605 Eastlake Avenue Los Angeles, CA 90033 323-226-8611	08/14/2015 Unsatisfactory	This 100-year-old facility is well run with a highly trained staff. However, the buildings are in dire need of razing and replacement.
Century Regional Detention Facility 11705 Alameda Street Lynwood, CA 90059 213-473-6100	11/10/2015 Satisfactory	This is the women's jail facility, with a population of about 1,883. The number of inmates requiring mental health services is about 500. The number of pregnant inmates averages 40-50. They are short two psychiatrists. One hundred forty (140) classes per week are offered through Five Keys Charter School. There are vocational programs in general maintenance, painting, and culinary arts. Medical clinic staff of 118 includes LVNs, RNs, and Nurse Practitioners. The head nurse requests a freezer.
Cerritos Station 18135 Bloomfield Avenue Cerritos, CA 90703 562-860-0044	09/04/2015 Closed	This is no longer a holding facility.

<p>Challenger - Ellison Onizuka 5300 W. Ave I Lancaster, CA 93536 661-940-4144</p>	<p>09/11/2015 Excellent</p>	<p>This is a juvenile male detention camp. The camp is on 42 acres. Fifteen computer and vocational classes are offered. "Serve Safe" certification is offered in the culinary class, which enables students to be employed in fast food restaurants. The school, dietician, and mental health staff all work together for the best interests of the young men. An eight week certification is available in weatherization through Los Angeles Trade-Technical College. Students enter two to three years below their age level. Twenty-five teachers assist students to reach grade level. In 2015, 44 students graduated with a high school diploma.</p>
<p>Challenger – Ronald McNair 5300 W. Ave I Lancaster, CA 93536 661-940-4146</p>	<p>09/11/2015 Excellent</p>	<p>This is another building on the same campus as the Ellison Onizuka facility. The inspection has the same results.</p>
<p>Claremont Police Department 570 W. Bonita Avenue Claremont, CA 91711 909-399-5411</p>	<p>08/14/2015 Satisfactory</p>	<p>This facility has working cameras in all locations. It is in good condition and clean.</p>
<p>Compton Courthouse/Jail 200 W. Compton Boulevard Compton, CA 90220 310-762-9100</p>	<p>08/21/2015 Unsatisfactory</p>	<p>The ceiling is extremely dirty. The downstairs holding area, public area, walls, and cell doors need painting. No medical staff available to administer medication.</p>
<p>Compton Sheriff's Station 301 S. Willowbrook Avenue Compton, CA 90221 310-605-6500</p>	<p>08/21/2015 Unsatisfactory</p>	<p>Although no longer a holding facility, the exterior grounds are in poor condition. We noted that there was standing water in a drain. The metal rail on stairway leading to courthouse is broken and could be used as a weapon.</p>
<p>Covina Police Department 444 N. Citrus Avenue Covina, CA 91733 626-858-4413</p>	<p>08/14/2015 Satisfactory</p>	<p>This facility is well run, with newly installed video cameras.</p>

Crescenta Valley Sheriff's Jail 4554 N. Briggs Avenue La Crescenta, CA 91214 818-248-3464	08/07/2015 Satisfactory	This is a clean and well run facility.
Criminal Justice Center (Clara Shortridge-Foltz) 210 W. Temple Street 213-974-6581	09/04/2015 Satisfactory	A well run facility with elaborate identification and classification system for special handling of detainees.
Culver City Police Department 4040 Duquesne Avenue Culver City, CA 90232 310-837-1221	08/14/2015 Satisfactory	This facility is old but well maintained. The jailer didn't know where the defibrillator was located. The watch commander promised to correct the situation.
Devonshire Station 10250 Etiwanda Avenue Northridge, CA 91325 818-832-0633	08/14/2015 Satisfactory	This facility is clean and well run. One problem was that it takes too long to transfer detainees to Van Nuys Jail.
Dorothy Kirby Center Camp 1500 S. McDonnell Avenue Los Angeles, CA 90022 323-981-4301	09/14/2015 Satisfactory	Friendly, professional staff, whose interest in the juveniles is evident. The dormitories are clean and well maintained. Educational goals and classes are set towards GED and/or high school graduation. This facility houses juvenile detainees. The longest stay is 9 months.
Downey Courthouse/Jail 7500 Imperial Highway Downey, CA 90242 562-803-7044	08/21/2015 Satisfactory	Area and cells are clean, but some graffiti is present. EMTs are located 3 miles away, and there are no defibrillators. Cameras are in hallways but not in cells or elevators.
Downey Police Department 10911 Brookshire Avenue Downey, CA 91502 562-861-0771	08/21/2015 Satisfactory	Detainees are held a maximum 8 hours. There are no beds or meals. EMTs are 5 minutes away. There are cameras in each cell. There is a defibrillator located at the station.
East Los Angeles Jail 4848 E. Civic Center Way Los Angeles, CA 90022 323-780-2017	08/07/2015 Satisfactory	This is a holding facility. Graffiti is carved in the steel beams and concrete floor. Cells were clean and nicely painted. Snacks are available and detainees are provided with pin numbers to make unlimited collect telephone calls. This facility also uses the Uniform Daily Activity Log (UDAL) when admitting detainees.

East Los Angeles Station 5019 E. Third Street Los Angeles, CA 90022 323-264-4151	08/07/2015 Satisfactory	Civilians are used to monitor detainees and they are not P.O.S.T. certified. Facility is clean with pre-packaged meals being served for lunch and dinner. There is a lack of privacy for showers, especially for female detainees.
Ed Edelman Children's Court 201 Centre Plaza Drive, #2700 Monterey Park, CA 91754 323-526-6610	09/11/2015 02/09/2016 Satisfactory	Facility is clean and the lockup security board has been replaced.
El Monte Courthouse 11234 E. Valley Boulevard El Monte, CA 91731 626-575-4116	08/21/2015 Satisfactory	The professional staff is well organized. The staff is not trained when new programs are implemented. The attorney visitation rooms need painting.
El Monte Police Department 11333 Valley Boulevard El Monte, CA 91731 626-580-2110	08/21/2015 Satisfactory	The landscaping is beautiful. The facility is clean.
El Segundo Police Department 348 Main Street El Segundo, CA 90245 310-524-2200	08/07/2015 Satisfactory	The facility is old but well maintained. A portion of padding in the sobering cell is torn, awaiting repair. One cell has water damage.
Foothill Station 12760 Osborne Street Pacoima, CA 91331 818-756-8865	08/14/2015 Not in Service	This is a police station only and was not inspected. Arrestees are booked at Van Nuys Jail.
Gardena Police Department 1718 162 nd Street Gardena, CA 90247 310-217-9632	08/21/2015 Satisfactory	This facility has a creative approach for handling the mentally challenged and youthful offenders. They have partnered with USC Social Works.
Glendale Courthouse/Jail 600 E. Broadway Avenue Glendale, CA 91206 818-500-3524	08/14/2015 Satisfactory	This is a small well managed facility. There are no defibrillators.
Glendale Police Department 131 N. Isabel Street Glendale, CA 91206 818-548-4840	08/14/2015 Satisfactory	This is the third largest jail in Los Angeles County and the busiest due to their no tolerance policy for violators. Additionally, this is a "pay-to-stay" facility at \$90 per day. Video conferencing for judge, attorney, and detainee is available.

Glendora Police Department 150 S. Glendora Avenue Glendora, CA 91741 626-914-8250	08/21/2015 Satisfactory	This facility is clean and efficiently run.
Harbor Area Station 2175 S. John Gibson Blvd. San Pedro, CA 90731 310-675-4443	08/14/2015 Satisfactory	This is a beautiful, high technology jail; however, due to a lack of personnel, it is not sufficiently staffed.
Hawthorne Police Department 12501 Hawthorne Boulevard Hawthorne, CA 90250 310-675-4443	08/21/2015 Satisfactory	This facility is fairly new, clean and quiet. The staff provided input as to the ballpark design of the facility. The majority of the cells could be viewed from the Command Central Room. Staff speaks multiple languages. They have started a contract with Vital Medical for registered nurse services. They offer "pay-to-stay" and work furlough programs.
Hermosa Beach Police Dept. 540 Pier Avenue Hermosa Beach, CA 90254 310-318-0300	08/07/2015 Satisfactory	Facility is clean and well maintained.
Hollenbeck Station 2111 E. 1 st Street Los Angeles, CA 90033 323-342-4100	08/21/2015 Satisfactory	Staff is knowledgeable and the facility is clean and well run. Juveniles are placed in separate cells. Translation is done through a phone bank.
Hollywood Station 1358 Wilcox Avenue Los Angeles, CA 90028 213-485-2510	08/07/2015 Satisfactory	This is a short-term holding facility for men only. Gangs are kept apart in separate cells. There are 6-10 detainees per cell. Translation is done through a phone service, wherein a detainee speaks in his own language and the operator translates to English. No cell phones are allowed but collect calls are available in the lockup area. There are no sprinklers installed. Lighting in this facility is poor. The temperature gauge on the freezer is broken.

<p>Inglewood Courthouse/Jail One E. Regent Street Inglewood, CA 90301 310-419-5132</p>	<p>08/21/2015 Satisfactory</p>	<p>The OPM is updated quarterly. Detainees are classified for safety reasons. Staff receives training during Court holidays. They have bilingual staff and provide language line access. The facility could use a fresh coat of paint and better lighting in the work areas of deputies.</p>
<p>Inglewood Juvenile Court One E Regent Street Inglewood, CA 90301 310-419-5132</p>	<p>08/21/2015 08/27/2015 12/16/2015 Unsatisfactory</p>	<p>There are broken floor tiles and in some places, the floor is in bad shape. A request has been made to have it repaired but at the time of inspection it was still not done. There was an air vent stuffed with paper which could be a fire hazard. The refrigerator used for food was not clean and full of food for the staff. When females are in custody, the female uses the bathroom without a door, in full view of the staff.</p>
<p>Inglewood Police Department One W. Manchester Boulevard Inglewood, CA 90301 310-412-5211</p>	<p>08/21/2015 Satisfactory</p>	<p>The facility is clean and quiet. The OPM is in the process of being updated. Staff received all required training and is bilingual certified by the city. The jail needs a padded safety cell.</p>
<p>Irwindale Police Department 5050 N. Irwindale Avenue Irwindale, CA 91706 626-430-2244</p>	<p>8/28/2015 Not in service</p>	<p>This facility is not an operating detention site. Cells are used for storage. Officers take detainees to either Baldwin Park or Glendora for booking. The breathalyzer is used for testing before booking.</p>
<p>John Munz Camp 42220 N. Lake Hughes Road Lake Hughes, CA 93532 661-724-1211</p>	<p>09/04/2015 Satisfactory</p>	<p>Well managed facility with quality vocational educational program. The kitchen roof leaked and the upper façade on the gymnasium needs to be replaced.</p>

<p>Kenyon Scudder Camp 28750 N. Bouquet Canyon Rd. Santa Clarita, CA 91390 661-296-8811</p>	<p>09/14/2015 Satisfactory</p>	<p>Population is 13-18 year old females; currently 35 females are housed here. Buildings are showing age, but appear to be well maintained. An indoor and outdoor pool are two assets. Work is almost complete on all-purpose meeting/social room. An integrated stage 1 through 4 system is used. Newcomers are stage 1 and work up to stage 4 by work behavior etc. Integration between stages enables bonding between new detainees and veterans. Schooling is also provided.</p>
<p>Los Angeles County Kenyon Juvenile Hall 7625 S. Central Avenue Los Angeles, CA 90001 323-587-8937</p>	<p>08/21/2015 Closed</p>	<p>This facility is closed.</p>
<p>LAC+USC Jail Ward 2051 Marengo Street Los Angeles, CA 90033 323-409-4563</p>	<p>08/21/2015 Excellent</p>	<p>A well run and managed facility that works with those who are injured while committing a crime. It is also used for those who are injured or sick while in custody.</p>
<p>Lakewood Sheriff Station 5130 N. Clark Avenue Lakewood, CA 90712 562-623-3500</p>	<p>09/04/2015 Satisfactory</p>	<p>A clean station. A professional and courteous staff. Trustees are utilized for cleaning, trash pick-up and meal service. Disabled detainees are sent to IRC after a live scan is completed. Additional staff is requested.</p>
<p>Lancaster Station 501 W. Lancaster Boulevard Lancaster, CA 93534 661-948-8466</p>	<p>08/07/2015 Unsatisfactory</p>	<p>Needs (1) defibrillator and training; (2) updating of video cameras and equipment; (3) replacement of window in the booking room – request has been made; (4) replacement of damaged posters in the lobby.</p>
<p>La Verne Police Department 2061 Third Street La Verne, CA 91750 909-596-1913</p>	<p>08/28/2015 Satisfactory</p>	<p>Well run and clean facility. Sufficient food and blankets are provided.</p>

LAX Courthouse/Jail 11701 S. La Cienega Blvd. Los Angeles, CA 90045 310-727-6020	08/28/2015 Satisfactory	The OPM is available on-line. The floor coating in the processing area is peeling and needs to be repaired. No defibrillators in the facility. All staff are CPR trained. A closing sergeant is needed in the facility.
Lomita Station 26123 Narbonne Avenue Lomita, CA 90717 310-539-1661	09/04/2015 Unsatisfactory	(1) No defibrillator; (2) phone system hard to use; (3) does not have a call center for non-English speaking detainees.
Long Beach Police Dept. 400 W. Broadway Long Beach, CA 90802 562-570-7260	09/04/2015 Satisfactory	A well run and clean facility. It is maintained and cleaned by trustees. This facility is not equipped to detain the disabled. Additional rollaway phones are provided in the cells. New technology for identification system, retina screening, is used. Video Visitation System was recently installed. Additional staff and a full time clinician are requested.
Los Padrinos Juvenile Hall 7285 Quill Drive Downey, CA 90242 562-940-8681	09/04/2015 Satisfactory	This facility is in the process of installing a new camera system. It is clean and well run.
Lost Hills (Malibu Station) 27050 Agoura Road Calabasas, CA 91301 818-878-1808	08/28/2015 Satisfactory	A clean facility, maintained by trustees. The OPM is available but needs to be updated. The facility uses bar codes to scan cells during security check. No defibrillator in facility. More staff is needed. Convenient drug drop-off containers are located outside of the facility.
Manhattan Beach Police Dept. 420 15 th Street Manhattan Beach, CA 90266 310-802-5140	08/07/2015 Satisfactory	Facility is fairly new, clean and well run.

Marina Del Rey Station 13851 Fiji Way Marina Del Rey, CA 90292 310-482-6000	08/28/2015 Satisfactory	A small but clean facility that is maintained with assistance of trustees. OPM available on-line and hard-copy with yearly updates. All staff are CPR certified. The issue of cameras with no recording capability has been resolved. There are two holding cells but one is under repair. There is a defibrillator but it could not be located by the staff.
Men's Central Jail 441 Bauchet Street Los Angeles, CA 90012 213-974-4082	08/14/2015 Satisfactory	Facility was vastly improved since last inspection, however a severe safety hazard exists due to malfunctioning elevators. Another concern is the lack of personnel needed to escort detainees from IRC.
Mental Health Courthouse 1150 N. San Fernando Road Los Angeles, CA 90065 323-266-2908	08/28/2015 Satisfactory	Facility is hidden and not easy to locate. Detainees are brought daily to court from State Mental Hospitals. Some days there are as many as 40 cases heard. The doctors and facility staff are all excellent with the mentally ill. There are no provisions for juveniles. There are no defibrillators. The average stay for detainees is 5 days. This facility is in good condition.
Metropolitan Courthouse 1945 S. Hill Street Los Angeles, CA 90007 213-742-1884	08/21/2015 Satisfactory	This is a clean facility. Night traffic court held on second Thursday of the month. Translators are available in-house. Excellent camera equipment access to many areas.
Metropolitan Detention Center 180 N. Los Angeles Street Los Angeles, CA 90012 213-356-3400	08/21/2015 Satisfactory	This is a clean facility. Phone banks are used for language translations.
Mira Loma Detention 45100 N. 60 th Street West Lancaster, CA 93536 661-524-2799	Closed	Closed.
Mission Hills Station 11121 N. Sepulveda Blvd. Mission Hills, CA 91345 818-838-9800	08/14/2015 Satisfactory	This facility is clean and well run. One problem is that it takes too long to transport detainees to Van Nuys Jail.

Monrovia Police Department 140 E. Lime Avenue Monrovia, CA 91016 626-256-8000	08/28/2015 Satisfactory	Well run and clean facility. The OPM is followed and the facility is fully staffed. Trustees are utilized at this facility.
Montebello Police Department 1600 Beverly Boulevard Montebello, CA 90640 323-887-13131	09/04/2015 Satisfactory	Privately run facility and well managed. Utilizes "pay-to-stay" and trustee program.
Monterey Park Police Dept. 320 W. Newmark Avenue Monterey Park, CA 91754 626-307-1266	09/04/2015 Satisfactory	Trustee program used at the facility. It is well operated and is a "pay-to-stay" facility.
Newton Station 3400 S. Central Avenue Los Angeles, CA 90011 323-846-6547	08/21/2015 Satisfactory	This facility is clean and well run.
North County Correctional Facility 29340 The Old Road Castaic, CA 91384 661-295-6547	09/18/2015 Satisfactory	This is a maximum security jail. Each dorm accommodates sixty-six (66) detainees. Educational classes are available. More frequent clean ups are needed. Showers and faucets require deep cleaning.
North Hollywood Police Dept. 11640 Burbank Boulevard North Hollywood, CA 91601 323-846-6547	08/07/2015 Satisfactory	This facility overall is clean, well organized, and has knowledgeable staff.
Northeast Station (LA/Eagle Rock) 3353 San Fernando Road Los Angeles, CA 90065 213-485-2266	08/07/2015 Unsatisfactory	Facility is old with many deficiencies. A new facility will open in first quarter 2016, which should correct problems.
Norwalk Station 12335 Civic Center Drive Norwalk, CA 90650 562-863-8711	08/21/2015 Satisfactory	Clean area but some cells with graffiti. EMTs are ½ block away. No defibrillator in facility. Cameras are in hallway but not in cells. Physical check of detainees done every 30 minutes.
Olympic Station 1130 S. Vermont Avenue Los Angeles, CA 90006 213-382-9102	08/21/2015 Satisfactory	This fairly new facility was opened in 2008 and is clean. There are no intake functions.
Pacific Area Station 13212 Culver Boulevard Los Angeles, CA 90066 310-482-6334	08/14/2015 Satisfactory	No sprinklers in lobby or in the jail area. Otherwise, the building was in good condition.

Palmdale Station 750 E. Avenue Q Palmdale, CA 93550 661-272-2400	08/07/2015 Satisfactory	Facility is clean and organized. There are drop-off receptacles for prescriptions, illegal drugs and sharps in front of the building.
Palos Verdes Station 340 Palos Verdes Drive Palos Verdes, CA 90274 310-378-4211	08/14/2015 Satisfactory	This is an old but clean facility with a state-of-the-art operations center. Meals are purchased from Newport Farms. The sally port is only partially built.
Parker Center 150 N. Los Angeles Street Los Angeles, CA 90012 213-485-2510	08/28/2015 Satisfactory	This is an old but clean facility. Staff handles over 100 detainees daily.
Pasadena Courthouse/Jail 300 E. Walnut Street Pasadena, CA 91101 626-356-5680	08/14/2015 Satisfactory	This is a clean and well run facility. All personnel are up to date with training.
Pasadena Police Department 207 N. Garfield Avenue Pasadena, CA 91101 626-744-4545	08/14/2015 Satisfactory	This is a "pay-to-stay" facility. The charge is \$143 per day. It is clean and well run.
Pico Rivera Station 6631 Passons Boulevard Pico Rivera, CA 91101 562-949-2421	09/11/2015 Satisfactory	Well run facility using a trustee program. There is no defibrillator and the floors are still in need of repair or resurfacing. Cameras are only in hallways but not in cells.
Pitchess Detention Center - East Facility 29310 The Old Road Castaic, CA 91384 661-295-8815	08/28/2015 Satisfactory	A well run facility where detainees are taught a skill. The inmates accepted into the Fire Fighting Program must be fit, willing to participate in the lengthy, demanding program and be accepting of other detainees. The staff are involved in the detainee training that takes 6-8 weeks before being transferred to the fire camps. The training, pay, and sentence reduction keeps the detainee motivated. The location is clean and well tended. It can hold 800 detainees but is currently holding 60. A secondary job skill is offered with a Kitchen and Food Handling certificate.

<p>Pitchess Detention Center North Facility 29320 The Old Road Castaic, CA 91384 661-295-8840</p>	<p>09/11/2015 Satisfactory</p>	<p>This is a newer facility composed of 4 modules, each with 4 dorms. Conditions are adequate and newly painted. Sewing, printing, and signage are performed at this facility for most county agencies. There is a need for cameras in dorms and a public address system throughout the facility. More space for educational programming is available on the north end of the facility but no planning has taken place to locate additional buildings or trailers there. Such programming would be welcome.</p>
<p>Pitchess Detention Center South Facility 29330 The Old Road 662-295-8805</p>	<p>09/11/2015 Satisfactory</p>	<p>Adequate facility. Dorms are somewhat crowded and some maintenance needed. There is no storage area for detainee personal items. GED classes are offered, but need to be increased. Disruptive detainees are promptly sent to Men's Central Jail. College and vocational classes need to be re-introduced.</p>
<p>Pomona Courthouse/Jail 400 W. Mission Boulevard Pomona, CA 91766 909-802-9944</p>	<p>09/04/2015 Satisfactory- with strong reservations</p>	<p>The cells were clean but much graffiti was noted. The deputies have only one elevator to transport detainees from the entry floor to upper floors. There is no area on the entry floor to process detainees. Instead detainees use a narrow hall on the third floor for processing, which has no secure area whatsoever (detainees walk within inches of all deputies backs to reach cells and courtrooms). There is no area for the release of detainees; instead detainees who are released walk through courtrooms that are not in session.</p>
<p>Pomona Police Department 490 W. Mission Boulevard Pomona, CA 91776 909-620-2130</p>	<p>09/04/2015 Satisfactory</p>	<p>This facility has a capacity of 68 and on average houses 35-40 per day. Detainees stay about 2 days, but could be housed for 6 days if necessary. The facility is cleaned by trustees.</p>

Rampart Station 1401 W. 6 th Street Los Angeles, CA 90017 213-484-3400	08/28/2015 Satisfactory	This is a new facility. It is clean with separate holding cell for adults and juveniles.
Redondo Beach Police Dept. 401 Diamond Street Redondo Beach, CA 90277 310-379-2477	08/14/2015 Satisfactory	This is an older facility but clean and well-staffed.
San Dimas Station 270 S. Walnut Avenue San Dimas, CA 92173 909-450-2700	09/04/2015 Satisfactory	This is a clean facility with a capacity of 22 detainees. Because of its location (close to where many detectives live) it is sometimes used to house inmates requiring special segregation, K-10s, long term. There is insufficient staff, only 5 jailers to cover 7 days (three 8 hour shifts). There is no administrative jailer to handle paperwork and scanning of booking packages.
San Fernando Court 900 Third Street San Fernando, CA 91340 818-898-2403	08/14/2015 Unsatisfactory	This facility has a lot of graffiti in the cells. The water pressure is low, making it difficult for detainees to drink. There is no defibrillator and the EMTs are 10-15 minutes away. They could use a nurse practitioner to dispense medications. Mental health issues severely tax this facility. This busy facility gets all the criminal and felony cases in the area.
San Fernando Police Dept. 910 First Street San Fernando, CA 91340 818-898-1267	08/14/2015 Satisfactory	A "pay-to-stay" facility. It is clean and newly painted. A defibrillator is present.
San Gabriel Police Dept. 625 Del Mar Avenue San Gabriel, CA 91778 626-308-2828	08/07/2015 Satisfactory	It is a clean, older facility that needs painting and new clean bedding.
San Marino Police Department 2200 Huntington Drive San Marino, CA 91107 626-300-0720	08/21/2015 Satisfactory	All detainees are taken to Alhambra. They are only brought to the station if intoxicated, or if detectives need to question them. The jail area is small and is being used as a storage area for records and file cabinets. This confined area could be a problem if a disturbance occurs.

Santa Clarita Courthouse/Jail 23747 W. Valencia Boulevard Valencia, CA 91355 661-255-7439	08/14/2015 Satisfactory	This facility needs paint. Heating Ventilation and Air Conditioning (HVAC) duct emits dust. No defibrillator as the firehouse is on the same block.
Santa Clarita Valley Station 23740 W. Magic Mountain Parkway Valencia, CA 91355 661-255-1121	08/14/2015 Satisfactory	This facility has limited cameras. One hallway is dark because the jailer has to keep the light off in order for the camera to be used. Body cameras for jailers have been ordered. No defibrillator as the firehouse is on the same block.
Santa Monica Police Dept. 333 Olympic Drive Santa Monica, CA 90401 323-458-8484	08/14/2015 Satisfactory	Jailer was knowledgeable and defibrillators were prominently displayed. The OPM on the desktop and located at the intake area. It is a clean and modern facility.
Sierra Madre Police Dept. 242 W. Sierra Madre Blvd Sierra Madre, CA 91024 626-355-1414	08/21/2015 Satisfactory	All detainees are booked in Pasadena. This facility is in good condition.
Signal Hill Police Department 2745 Walnut Avenue Signal Hill, CA 90755 562-989-7200	09/04/2015 Excellent	Facility is clean and in excellent condition. All maintenance and cleaning are performed by an outside contractor. Female detainees are sent to Long Beach Police Department or County Jail.
South Gate Police Department 8620 California Avenue South Gate, CA 90280 323-563-5400	08/28/2015 Satisfactory	New hires at this facility are trained at Orange County Academy. It is an old beautiful building. It is clean and well organized.
South Los Angeles Station 13210 W. Imperial Highway Los Angeles, CA 90012 323-820-6700	08/21/2015 Satisfactory	This facility was clean. Jailer was knowledgeable in policies and procedures regarding detainees.
South Pasadena Police 1422 Mission Street South Pasadena, CA 91030 626-403-7270	08/21/2015 Satisfactory	The breathalyzer is in the facility. They book misdemeanors and write them up in office. They hold intoxicated detainees. All others are taken directly to Pasadena for booking.
Southeast Station 145 W. 108 th Street Los Angeles, CA 90061 213-972-7828	08/14/2015 Satisfactory	This facility is clean and well run. Detainees are transported to 77 th Street Station.

Southwest Station 1546 W. MLK Boulevard Los Angeles, CA 90062 213-485-2582	08/07/2015 Not in Service	Detainees are transported to 77 th Street Station.
Temple City Station 8838 Las Tunas Drive Temple City, CA 91780 626-285-7171	09/04/2015 Satisfactory	Facility operations are in compliance. The facility utilizes the trustee program.
Topanga Station 21501 Schoenborn Street Canoga Park, CA 91304 818-778-4800	08/14/2015 Satisfactory	This facility is clean and well run. One problem is that it takes too long to transfer detainees to Van Nuys Jail.
Torrance Courthouse/Jail 825 Maple Avenue Torrance, CA 90503 310-222-1785	08/14/2015 Satisfactory	This facility is old but clean and well run.
Torrance Police Department 3300 Civic Center Drive Torrance, CA 90505 310-618-5631	08/14/2015 Satisfactory	The OPM is online and last updated August 2014. Professional and knowledgeable staff. Juveniles are fingerprinted and released to parents or taken to Los Padrinos. Disabled detainees are taken to Hawthorne Police Department or to Twin Towers. This is a "pay-to-stay" facility.
Twin Towers 450 Bauchet Street Los Angeles, CA 90012 213-893-5100	08/14/2015 Satisfactory	Witnessed the educational program in progress and it appears well run and effective. Some debris was observed during a walk through but overall the facility was clean. Personnel did discuss the long overtime hours.
Van Nuys Courthouse West 14400 Erwin Street Mall Van Nuys, CA 91401 818-374-2511	08/14/2015 Satisfactory	This facility can hold over 400 detainees but the average is 190 or more. It is not a 24 hour facility. All females are kept in one tank. The third floor flooded and destroyed the ceiling below. Some tiles were replaced and some not.
Van Nuys Station 6240 Sylmar Avenue Van Nuys, CA 91401 818-374-9502	08/14/2015 Satisfactory - with reservations	Professional staff. The jail hallways and cells need painting. There is mold on ceiling next to camera in women's cell. Officers request audio equipment in holding cells.

Vernon Police Department 4305 S. Santa Fe Avenue Vernon, CA 90058 323-587-5171	08/28/2015 Closed	This is no longer a holding facility.
Walnut/Diamond Bar Station 21695 E. Valley Boulevard Walnut, CA 91790 909-595-2264	09/04/2015 Satisfactory	A professional staff and a clean facility.
West Covina Courthouse 1427 W. Covina Parkway West Covina, CA 91790 626-813-3239	08/21/2015 Satisfactory	This is an older facility which requires a general clean up and repainting. The operation seems disorganized. There are no defibrillators.
West Covina Police Department 1444 W. Garvey South Ave. West Covina, CA 91790 626-939-8500	08/21/2015 Satisfactory	This facility is clean and well maintained.
West Hollywood Station 780 N. San Vicente Boulevard West Hollywood, CA 90089 310-855-8850	08/14/2015 Satisfactory	This facility did not have a defibrillator and the jailer did not know what a defibrillator was. However, the facility is clean.
West Los Angeles Station 1663 Butler Avenue Los Angeles, CA 90025 310-444-0702	08/14/2015 Not in service	This has not been a holding facility for over 15 years.
West Valley Station 19020 Vanowen Street Reseda, CA 91335 818-374-7611	09/04/2015 Satisfactory	Detainees are transported to Van Nuys for booking. There is a nice small play area for children in lobby. This is a clean facility.
Whittier Courthouse/Jail 7339 S. Painter Avenue Whittier, CA 90602 562-567-9200	09/04/2015 Closed	Closed.
Whittier Police Department 7315 S. Painter Avenue Whittier, CA 90602 888-557-0383	09/11/2015 Satisfactory	Well run by a private company called G45. The trustee program is utilized. In compliance with first aid disaster plan and all of the staff is trained in the use of the defibrillator.
William Mendenhall Camp 42230 Lake Hughes Road Lake Hughes, CA 93532 661-724-1213	09/14/2015 Satisfactory	Vocational programs provided in building trades. Smart boards in all classrooms. Educational programs in English and Math with an apex for credit recovery. Title I school allows for extra funding for educational programs.

Wilshire Police Station 4861 W. Venice Boulevard Los Angeles, CA 90019 213-472-0746	08/21/2015 Not in Service	This facility has been closed for more than 2 years. It can be reopened on short notice.
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C. Detainee Education Programs

In 2007 the Second Chance Act was passed to improve education in United States prisons and jails. The Rand Corporation was contracted to investigate the results of educational and vocational training programs as they relate to the reduction in recidivism (supported by the United States Department of Justice).²

As the CGJ continued its travels throughout the county, it became evident that there were many educational programs being offered in the juvenile camps and the adult male and female jails. These programs are offered by the Los Angeles County Office of Education (LACOE), and Five Keys Charter Schools.

LACOE provides high school and vocational educational programs for the youth who are detained in the camps and juvenile halls. All high school programs are state Career Technical Education (CTE) certified. Three of the camps, Kenyon Scudder, Joseph Scott, and David Gonzales, have onsite culinary arts programs that are dual enrollment courses. On completion of these courses, the students receive college credits with Los Angeles Mission College.

²Evaluating the Effectiveness of Correctional Education: A Meta-Analysis of Programs That Provide Education to Incarcerated Adults. Rand Report 2013. Objective Analysis Effective Solutions.

**LACOE Educational Programs For Juvenile
Courts & Camps**

Juvenile Court Schools	
Site	Course Name
Christa McAuliffe	Building Construction Culinary Arts Landscape Design
David Gonzales	Culinary Arts
Fred Miller	Building Construction
Glen Rockey	Culinary Arts
Fred Miller	Building Construction
RTSA* Joseph Scott	Culinary Arts Health Careers
RTSA* Kenyon Scudder	Culinary Arts Health Careers
William Mendenhall	Building Construction
*Road To Success Academy	

Camp Challenger offered through Trade Tech	
Site	Course Name
Jarvis	Weatherization
McNair	Weatherization
Onizuka	Weatherization
Smith	Weatherization

Five Keys Charter Schools is the contracted educational program provider for LASD, offering career technical and life skills programs that are used by the Los Angeles County Jail Systems. Established in 2003 in the San Francisco Sheriff's Department, it is the first school in the nation to operate within county jails.

The Five Keys philosophy of education, based on Restorative Justice, allows detainees to receive class credit. In these classes the participants seek to repair the harm that they have caused by their actions.

In addition to the classes offered in the jails, Five Keys makes classes available to those detainees who are released before their educational program is completed. This is done at offsite transitional charter schools where a myriad of vocational and high school educational programs are offered.

Five Keys Educational Programs for Adults

Century Regional Detention Center (Women)		
	Fire Camp	Men's Central Jail
Baking	Culinary Arts	Commercial Painting
Culinary Arts	Introduction	Computer Applications
Building Maintenance		Construction
Commercial Painting		Introduction
Fashion Design		Trade Math
Sewing		Life Skills
Life Skills		Anger Management
Addiction		Job Skills Preparation
Anger Management		Parenting
Parenting		Substance Abuse
Job Skills Preparation		

Pitchess Detention Center		
North	Ranch & Field	South
Commercial Painting	Agricultural Greenhouse	Life Skills
Commercial Printing	Bicycle Repair	Addiction
Computer Tech	Bio-Organic Recycling	Anger Management
Digital Literacy	Commercial Painting	Domestic Violence
Culinary Arts	Construction	Parenting
Preparation Cook	Dog Grooming	Substance Abuse
Life Skills	Embroidery	
Addiction	Screen Printing	
Anger Management	Farming Techniques	
Financial Literacy	Landscape – Gardener	
Parenting	Masonry	
Sewing Operator	Welding	
	Woodworking/Carpentry	

Twin Towers Correctional Facility
Life Skills
Addiction
Anger Management
Job Skills Preparation
Parenting

Five Keys Charter Schools also has partnership agreements with numerous organizations that provide internships, educational and vocational programs to those detainees who have been released and want to continue their education while seeking employment.

These partnerships are a result of the Workforce Innovation and Opportunity Act (WIOA) that was signed into law by President Barack Obama on July 22, 2014.³ Los Angeles County partners are listed below.

Five Keys WorkSource Los Angeles County Partners

Alhambra WorkSource	Alhambra, CA
Amity Foundation	Los Angeles, CA
Boyle Heights Youth Tech. Center	Los Angeles, CA
Compton WorkSource	Compton, CA
El Monte WorkSource	El Monte, CA
Goodwill Metro North WorkSource	Los Angeles, CA
Healthright 360	Los Angeles, CA
Hub Cities WorkSource	Huntington Park, CA
New Beginnings	Lancaster, CA
Para Los Niño's YouthSource	Los Angeles, CA
South LA WorkSource	Los Angeles, CA
Wilshire-Metro WorkSource	Los Angeles, CA

III. FINDINGS AND RECOMMENDATIONS

Los Angeles County Detention Centers, Sheriff's Stations, Juvenile Halls & Camps

Finding(s):

1 No defibrillators found on various sites.

Recommendation(s):

21.1 Install defibrillators and train personnel to use them.

Azusa Police Department

Finding(s)

2 No defibrillators on site.

Recommendation(s)

21.2 Install defibrillators and instruct personnel on how to use them.

³ Public Law No. 113-128. <http://www.gpo.gov/fdsys/pkg/PLAW-113publ128.pdf>

Bell Gardens Police Department

Finding(s):

- 3 Facility needs remodeling.
- 4 Ceilings and HVAC air filters are dirty.
- 5 Refrigerators are dirty.

Recommendation(s):

- 21.3 Remodel entire facility.
- 21.4 Clean ceilings and HVAC air filters.
- 21.5 Clean the refrigerators.

Bisquiluz Sheriff's Regional Training Center

Finding(s):

- 6 Firing Range not usable due to the spraying of bullets into adjacent neighborhood.
- 7 The existing track is sinking due to unstable ground on methane landfill.
- 8 The gymnasium does not have any basketball hoops.

Recommendation(s):

- 21.6 Construct enclosure for new firing range.
- 21.7 Install new track on sound footing.
- 21.8 Install basketball hoops in gymnasium.

Burbank Police Department

Finding(s):

- 9 Not enough jail personnel on site.
- 10 Not enough K-9 support.

Recommendation(s):

- 21.9 Hire additional jail personnel.
- 21.10 Add two K-9 dogs to facility.

Camp David Gonzales

Finding(s):

- 11 The dining room floor was sticky.
- 12 The outdoor basketball courts were cracked enough to cause injury.
- 13 The playing fields were filled with gopher holes.
- 14 In the dormitory, the noise levels may be above those mandated by OSHA.

Recommendation(s)

- 21.11 Clean and maintain dining room floor on a regular basis.
- 21.12 Re-pave basketball courts.
- 21.13 Fill gopher holes with sod.
- 21.14 Evaluate acoustics in dormitory and address as needed.

Central Area Station

Finding(s):

- 15 No private area for officers.
- 16 No airflow at entrance.
- 17 No sally port.

Recommendation(s):

- 21.15 Create private area for officers.
- 21.16 Improve airflow at entrance.
- 21.17 Install sally port in holding cells to safely extract detainees from cells.

Central Juvenile Hall

Finding(s):

- 18 The condition of this 100 year old facility is deplorable and unacceptable for human inhabitation.

Recommendations(s):

- 21.18 As recommended by the 2013-2014 CGJ and reviewed by the AOC and the Los Angeles Superior Courts, this facility should be replaced.

Century Regional Detention Facility

Finding(s):

- 19 There is no way to preserve the breast milk that the detained women want used to feed their children.

Recommendations(s):

- 21.19 A freezer should be provided to preserve detainee's breast milk.

Clara Shortridge-Foltz Criminal Justice Center

Finding(s):

- 20 There is a corridor on the northeast public lobby entrance that is not staffed by a security guard. In addition, the wall along this corridor stops short, causing a serious blind spot as the public and employees enter through the doors on the south side of the building.

Recommendation(s):

21.20 Request the construction of a wall or opaque partition that will extend the hallway to the security check point at the south entrance to the building. This wall or partition should stop at the door of the first office on the east side of the corridor.

Compton Courthouse/Jail

Finding(s):

- 21 Ceiling extremely dirty.
- 22 Public areas and walls in downstairs lock-up are dirty.
- 23 No medical personnel available.

Recommendation(s):

- 21.21 Replace and clean HVAC filters on a regular basis.
- 21.22 Clean and paint walls in downstairs lock-up.
- 21.23 Provide fulltime nurse.

Compton Sheriff's Station

Finding(s):

- 24 Drainage area was filled with standing water.
- 25 The metal banister on the exterior stairway was falling off and could possibly be used as a weapon.

Recommendation(s):

- 21.24 Repair drainage area and eliminate standing water.
- 21.25 Repair banister.

Devonshire Station

Finding(s):

- 26 The amount of time that it took to transport detainees to the Van Nuys facility took, on average, three (3) hours.

Recommendation(s):

- 21.26 Re-open this facility.

East L.A. Jail

Finding(s):

- 27 The white concrete walls in the public areas were severely scuffed.

Recommendation(s):

- 21.27 Paint all walls in public areas.

East L. A. Station

Finding(s):

- 28 There was a lack of privacy for detainees during showers.
- 29 There were no closed circuit cameras in the holding cells to help custody assistants with detainee monitoring.

Recommendation(s):

- 21.28 Install shade cloth in front of shower.
- 21.29 Install closed circuit cameras in each cell.

El Monte Police Department

Finding(s):

- 30 The kitchen area was dirty.
- 31 There were no defibrillators on site.

Recommendation(s):

- 21.30 Clean and paint kitchen.
- 21.31 Purchase defibrillator and train personnel to use it.

El Segundo Police Department

Finding(s):

- 32 Observed one (1) cell with water damage.

Recommendation(s):

- 21.32 Repair damaged cell.

Gardena Police Department

Finding(s):

- 33 There were no defibrillators on site.

Recommendation(s):

- 21.33 Provide defibrillators and train personnel to use them.

Glendale Courthouse/Jail

Finding(s):

- 34 There were no defibrillators on site.

Recommendation(s):

- 21.34 Provide defibrillators and train personnel to use them.

Harbor Area Station

Finding(s):

35 There were no defibrillators on site.

Recommendation(s):

21.35 Provide defibrillators and train personnel to use them.

Hollenbeck Station

Finding(s):

36 Not enough working computers.

37 Not enough vehicles for personnel.

Recommendation(s):

21.36 Provide more working computers for staff.

21.37 Provide more vehicles.

Hollywood Station

Finding(s):

38 No fire sprinklers in ceiling.

39 No hot water in showers for detainees.

40 Kitchen was very dark.

41 HVAC thermostat was broken.

Recommendation(s):

21.38 Install fire sprinklers in ceiling.

21.39 Repair plumbing to provide hot water in detainee showers.

21.40 Add additional lighting in kitchen.

21.41 Repair thermostat.

Inglewood Juvenile Courthouse/Jail

Finding(s):

42 Asbestos appears to be present in this facility in the floor tiles.

43 No restrooms were available for female detainees.

44 The sally port needs painting.

45 Not enough staff available on busy days.

Recommendation(s):

21.42 Floors tiles should be replaced. (See attached letter).

21.43 Allow female detainees to use female staff restroom.

21.44 Paint sally port walls.

21.45 Provide additional staff as necessary.

Inglewood Police Station

Finding(s):

46 There is no isolation cell onsite.

Recommendation(s):

21.46 Convert one of the existing cells to an isolation unit.

Lancaster Station

Finding(s):

47 Video cameras and equipment are outdated.

Recommendation(s):

21.47 Replace video cameras and equipment.

Men's Central Jail

Finding(s):

48 There is a malfunctioning elevator.

49 There are an insufficient number of deputies available to escort detainees from IRC to holding cells.

Recommendation(s):

21.48 Repair malfunctioning elevator.

21.49 Provide additional deputies when necessary to escort detainees from IRC to holding cells.

Metropolitan Courthouse/Jail

Finding(s):

50 There is not enough staff to handle the detainees that are held in this facility.

Recommendation(s):

21.50 Assign more staff to this facility.

Mission Hills Station

Finding(s):

51 Concern is expressed about the amount of time, approximately three (3) hours, that it takes to transport detainees to the central facility in Van Nuys.

Recommendation(s):

21.51 Open the Devonshire facility which is nearby.

Munz Juvenile Camp

Finding(s):

- 52 The wall below the basketball hoop opposite the stage in the gymnasium is concrete block.
- 53 The eaves and fascia on various buildings appear to be rotting as a result of weather and possible termite damage.
- 54 The exterior porch and roof area in the rear of the laundry room are in need of repair and the concrete is cracking and breaking at the steps on the porch.

Recommendation(s):

- 21.52 Install a padded mat below the basket to prevent injury.
- 21.53 Remove and replace all rotted or termite infested wood on each building where needed.
- 21.54 Repair concrete porch, steps, and roof area over the exterior laundry.

Newton Station

Finding(s):

- 55 Cameras have been ordered but yet to be delivered and installed.

Recommendation(s):

- 21.55 Expedite the delivery and installation of cameras in this facility.

North County Correctional Facility

Finding(s):

- 56 There are insufficient cameras in the cell blocks.
- 57 More trained canines are needed for drug and alcohol searches.
- 58 No articulation agreements are available for community college work.

Recommendation(s):

- 21.56 Install cameras in the cell blocks.
- 21.57 Provide more canines for drug searches.
- 21.58 Develop vocational education articulation programs with Los Angeles Trade-Technical College and Mission College.

Norwalk Station

Finding(s):

- 59 There are no cameras in cells or elevators.
- 60 The county connection to the state fingerprinting system is inoperative on most weekends.

Recommendations(s):

- 21.59 Install cameras in cells and elevators.
- 21.60 Analyze and repair, or install a new fingerprinting system.

Olympic Station

Finding(s):

- 61 The plumbing in each cell is not working properly.
- 62 Officers were dissatisfied with procedures used to drive detainees to intake facility.

Recommendation(s):

- 21.61 Repair plumbing in each cell.
- 21.62 Review procedure for taking detainees to intake facility.

Palmdale Station

Finding(s):

- 63 There are no fire sprinklers in the ceiling of the holding area.

Recommendation(s):

- 21.63 Install fire sprinklers in the ceiling of the holding area.

Topanga Station

Finding(s):

- 64 The amount of time that it takes to transport detainees to the central facility in Van Nuys is too long. This results in keeping officers away from their patrol areas.

Recommendation(s):

- 21.64 Re-open the Devonshire facility to house new detainees.

Torrance Courthouse/Jail

Finding(s):

- 65 The deputies handle the detainees multiple times due to the lack of special handling cells. This puts the deputies at risk.

Recommendation(s):

- 21.65 This facility should be upgraded by adding additional space to house detainees.

Twin Towers

Finding(s):

- 66 Debris was seen throughout the corridors.
- 67 Additional personnel is needed.

Recommendation(s):

- 21.66 Schedule increased frequency of trustee clean-ups.
- 21.67 Hire more personnel.

Van Nuys Courthouse West

Finding(s):

- 68 The building's exterior is faded and unsightly.

Recommendation(s):

- 21.68 Power wash concrete and paint all other areas.

Van Nuys Station

Finding(s):

- 69 The walls in the hallways and cells are dirty.
- 70 There is no audio equipment in the holding cells.

Recommendation(s):

- 21.69 Paint the walls in the hallways and cells.
- 21.70 Install audio equipment in the holding cells.

West Los Angeles Station

Finding(s):

- 71 Juveniles are processed for misdemeanors and transported to other facilities.

Recommendation(s):

- 21.71 Juveniles should be ticketed for misdemeanors and released to their guardian.

IV. REQUEST FOR RESPONSE

As a result of this investigation, the 2015-2016 Los Angeles County Civil Grand Jury requests that all parties who have been identified in the "Findings and Recommendations" respond as soon as possible.

California Penal Code sections 933(c) and 933.05 require a written response to all recommendations contained in this report. Such responses shall be made no later than ninety (90) days after the Civil Grand Jury publishes its report (files it with the Clerk of the Court).

All responses to the recommendations of the 2015-2016 Civil Grand Jury must be submitted on or before September 30, 2016, to:

Presiding Judge
 Los Angeles County Superior Court
 Clara Shortridge Foltz Criminal Justice Center
 210 West Temple Street
 Eleventh Floor-Room 11-506
 Los Angeles, CA 90012

Responses are required from:

Recommendation Number	Responding Agency
21.2	Azusa Police Department
21.3, 21.4, 21.5	Bell Gardens Police Department
21.9, 21.10	Burbank Police Department
21.30, 21.31	El Monte Police Department
21.32	El Segundo Police Department
21.33	Gardena Police Department
21.34	Glendale Courthouse/Jail
21.46	Inglewood Police Department
21.58	Los Angeles County Office of Education
21.1, 21.6, 21.7, 21.8, 21.15, 21.16, 21.17, 21.19, 21.20, 21.21, 21.22, 21.23, 21.24, 21.25, 21.26, 21.27, 21.28, 21.29, 21.35, 21.36, 21.37, 21.38, 21.39, 21.40, 21.41, 21.47, 21.48, 21.49, 21.50, 21.51, 21.55, 21.56, 21.57, 21.58, 21.59, 21.60, 21.61, 21.62, 21.63, 21.64, 21.65, 21.66, 21.67	Los Angeles County Sheriff's Department
21.68, 21.69, 21.70, 21.71	Los Angeles Police Department
21.1, 21.11, 21.12, 21.13, 21.14, 21.18, 21.42, 21.43, 21.44, 21.45, 21.52, 21.53, 21.54	Probation Department

V. ACRONYMS

AOC	Administrative Office of the Court
CGJ	Civil Grand Jury
CPR	Cardiopulmonary Resuscitation
EMT	Emergency Medical Technician
GED	General Educational Development/General Equivalency Diploma
HIV	Human Immunodeficiency Virus
HVAC	Heating Ventilation Air Conditioning
IRC	Inmate Reception Center
LACOE	Los Angeles County Office of Education
LACPD	Los Angeles County Probation Department
LASD	Los Angeles Sheriff's Department
LVN	Licensed Vocational Nurse
OPM	Operations Policy Manual
OSHA	Occupational Safety and Health Administration
P.O.S.T.	Police Officer Standards and Training
RN	Registered Nurse
USC	University of Southern California

VI. COMMITTEE MEMBERS

Victor H. Lesley	Co-Chair
Heather Preimesberger	Co-Chair
Patricia Turner	Secretary
John Anthony	
Bart Benjamins	
Bruce A. Berke	
Rene Childress	
Judy Goossen Davis	
Francine DeChellis	
Rita Hall	
Marina LaGarde	
Edna McDonald	
Molly Milligan	
Sandra Orton	
Stephen Press	
Arun Sharan	
Lorraine Stark	
Cynthia Vance	
Bob Villacarlos	
George Zekan	



EDIT COMMITTEE

EDIT COMMITTEE

I. EXECUTIVE SUMMARY

The Civil Grand Jury (CGJ) is mandated to publish a final report at the end of its term of office. The Edit Committee ensured that the final report was grammatically correct, uniformly formatted and easily understood. To this end, the committee worked closely with the Publication Committee.

II. BACKGROUND AND METHODOLOGY

The committee was charged with standardizing the format and layout of the final report. A template containing the format, heading and footing for each committee's report was created early in the term of the CGJ. Using that template, each investigative and/or standing committee of the CGJ submitted their report to the Edit Committee for review and editing. The committee's responsibility was to read each report and suggest changes to make the final report clear, unambiguous, accurate and concise.

III. ACRONYMS

CGJ Civil Grand Jury

IV. COMMITTEE MEMBERS

Bruce A. Berke	Chair
Arun Sharan	Secretary
Molly Milligan	
Sandra Orton	
Patricia Turner	
George Zekan	

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**INFORMATION TECHNOLOGY
COMMITTEE**

INFORMATION TECHNOLOGY COMMITTEE

I. EXECUTIVE SUMMARY

The Information Technology (IT) Committee assisted the Civil Grand Jury (CGJ) members and their committees in computer usage. It also controlled and protected the data developed by the jurors through regular scheduled backups.

II. BACKGROUND AND METHODOLOGY

The committee guided CGJ members in using the computer system and software provided by the county. Microsoft Excel, Word, and Internet Explorer were the main programs used in the investigation and writing of reports.

A basic file structure was developed in which jurors had their own file folder, as well as separate file folders for each investigative and standing committee. Jurors were taught how to create sub-folders so that they could keep documents under construction in folders for each committee on which they served. As any document reached a point when it was ready to be shared with other jurors, that document would be moved to the top-level committee folder. This insured that the document could easily be located by the jurors and no documents would be lost.

The committee supported all the other committees, as well as individual jurors, by developing templates and charts to aid the jury's data entry.

III. ACRONYMS

IT Information Technology
CGJ Civil Grand Jury

IV. COMMITTEE MEMBERS

Bruce A. Berke Chair
Lorraine Stark Secretary
Arun Sharan
Patricia Turner
George Zekan

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PUBLICATION COMMITTEE

PUBLICATION COMMITTEE

I. EXECUTIVE SUMMARY

The Publication Committee was established to work closely with the contracted publisher. Every year the Civil Grand Jury (CGJ) is mandated to publish a final report at the end of its term. Seven hundred fifty (750) published reports are delivered to Superior Court judges, the Board of Supervisors and all county officials. The CGJ's final report is also posted online.

II. BACKGROUND AND METHODOLOGY

The committee is responsible for the appearance, style of binding and cover materials of the finished report. Members of the CGJ perform the statutory duty to provide copies of relevant portions of the report to applicable and responsible persons and entities before the jury's term ends.

III. ACRONYMS

CGJ Civil Grand Jury

IV. COMMITTEE MEMBERS

Lorraine Stark	Co-Chair
Cynthia Vance	Co-Chair
Rene Childress	Secretary
Victor Lesley	
Molly Milligan	
Heather Preimesberger	

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SOCIAL COMMITTEE

SOCIAL COMMITTEE

I. EXECUTIVE SUMMARY

The Social Committee consisted of six members of the Civil Grand Jury (CGJ). The Social Committee organized social events, provided beverages and supplies, and promoted togetherness.

II. BACKGROUND AND METHODOLOGY

The committee established a monthly contribution amount for the Social Committee Fund. The monies collected were used to buy needed supplies.

The committee Treasurer provided a monthly Treasurer's Report of expenses to the CGJ.

Members of the CGJ signed-up in teams of two on rotation for weekly clean-up duties.

Holiday lunches were catered or celebrated in a local establishment. A birthday cake was brought in monthly.

III. ACRONYMS

CGJ Civil Grand Jury

IV. COMMITTEE MEMBERS

Rene Childress	Co-Chair
Bob Villacarlos	Co-Chair
Francine DeChellis	Treasurer
Judith Goossen Davis	Secretary
Rita Hall	
Sandra Orton	

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SPEAKERS & TOURS COMMITTEE

SPEAKERS & TOURS COMMITTEE

I. EXECUTIVE SUMMARY

The Speakers & Tours Committee was organized to invite public officials and knowledgeable citizens to speak to the Civil Grand Jury (CGJ), as well as schedule tours of government facilities, in an effort to prepare jurors to undertake examination of the functions of government in the County of Los Angeles. The 2015-2016 CGJ gathered information beneficial to its members by hearing from speakers on thirty five (35) occasions and touring fifteen (15) governmental facilities as a group.

II. BACKGROUND AND METHODOLOGY

The committee planned a schedule of informational presentations by various representatives of county and city government, as well as private citizens and non-governmental entities, who could educate jury members about government operations and important issues in Los Angeles County. Additionally the committee arranged tours of county and city facilities. The CGJ thanks the following individuals and entities for being generous with their time and for their responsiveness to its questions and requests for further information.

A. Speakers

07/22/2015	John Naimo, Los Angeles County Auditor-Controller Robert Smythe, Division Chief, Audit Division Arlene Barrera, Assistant Auditor-Controller
08/06/2015	Ronald L. Brown, Los Angeles County Public Defender
08/12/2015	Mark Fajardo, M.D., Los Angeles County Chief Medical Examiner-Coroner
08/13/2015	Philip L. Browning, Director, Los Angeles County Department of Children and Family Services
08/25/2015	Jackie Lacey, Los Angeles County District Attorney*
08/27/2015	Marvin J. Southard, D.S.W., Director, Los Angeles County Department of Mental Health

08/27/2015 Cathy Chidester, Director, Emergency Medical Services, Los Angeles County Department of Health Services

09/01/2015 Ron Galperin, Los Angeles City Controller*

09/03/2015 Gary Blasi, Professor of Law, Emeritus, University of California, Los Angeles

09/08/2015 Greg Savelli, Director, Los Angeles City Parking Enforcement and Traffic Control

09/09/2015 Gail Farber, Director, Los Angeles County Department of Public Works

09/15/2015 Lawrence Crocker, Executive Director, Los Angeles County Civil Service Commission

09/17/2015 Jerry Powers, Los Angeles County Chief of Probation

09/21/2015 Jim McDonnell, Los Angeles County Sheriff*

09/22/2015 Ramon Cortines, Superintendent of Schools, Los Angeles Unified School District

Michele King, Chief Deputy Superintendent, Los Angeles Unified School District

09/24/2015 Jeffrey Prang, Los Angeles County Assessor*

09/24/2015 Daryl Osby, Los Angeles County Fire Chief

10/06/2015 Mike Feuer, Los Angeles City Attorney*

10/07/2015 Mitchell Katz, M.D., Director, Los Angeles County Department of Health Services

10/08/2015 Miguel Santana, Los Angeles City Administrative Officer

10/13/2015 Rushmore Cervantes, General Manager, City of Los Angeles Housing + Community Investment Department

10/14/2015 Clyde Terry, Sergeant, LASD, Emerging Leaders Academy

10/26/2015 Dean Logan, Los Angeles County Registrar-Recorder

10/27/2015 Scott Underwood, Deputy Regional Disaster Officer, Los Angeles Region, American Red Cross

10/29/2015	Cynthia Harding, Interim Director, Los Angeles County Department of Public Health
11/03/2015	Larry Gross, Executive Director, Coalition for Economic Survival
	Carlos Aguilar, Director of Organizing and Tenant/Healthy Homes Outreach, Coalition for Economic Survival
11/05/2015	Michel R. Moore, Assistant Chief, LAPD
11/10/2015	Peter Lynn, Executive Director, Los Angeles Homeless Services Authority
12/15/2015	William Fujioka, Former Chief Executive Officer, Los Angeles County
12/16/2015	Cynthia Banks, Director, Los Angeles Department of Community and Senior Services
12/16/2015	Joseph Kelly, Los Angeles County Treasurer and Tax Collector
	Keith Knox, Assistant Treasurer and Tax Collector
12/02/2015	Michael D. Antonovich, Los Angeles County Supervisor, 5 th District*
01/20/2016	Zev Yaroslavsky, Former Los Angeles County Supervisor
02/16/2016	Corey Rose, Battalion Chief, Assistant Division Commander, Emergency Medical Services, City of Los Angeles Fire Department
	Timothy Kelly, Battalion Chief, Emergency Medical Services,
04/06/2016	Sheila Kuehl, Los Angeles County Supervisor, 3 rd District*

*indicates elected office holder

B. Tours

07/28/2015	Board of Supervisors, Hall of Administration
08/05/2015	Twin Towers Correctional Facility, LASD
08/12/2015	Los Angeles County Department of the Medical Examiner-Coroner
08/20/2015	Foltz Criminal Justice Center Detention Facilities
08/26/2015	Los Angeles County Communication Center, LASD Los Angeles County Emergency Operations Center, LASD
8/31/2015	Camp David Gonzalez, Los Angeles County Probation Department
09/02/2015	Men's Central Jail, Los Angeles Department of the Sheriff
09/09/2015	Metropolitan Detention Center, LAPD
09/16/2015	Los Angeles City Hall
09/23/2015	Los Padrinos Juvenile Hall
09/30/2015	Inmate Reception Center, LASD
10/27/2015	Cardio Pulmonary Resuscitation training by the Los Angeles Fire Department
11/18/2015	Sanitation Districts of Los Angeles County
12/14/2015	Los Angeles Human Trafficking Task Force Headquarters

III. ACRONYMS

CGJ	Civil Grand Jury
LAPD	Los Angeles Police Department
LASD	Los Angeles County Sheriff's Department

IV. COMMITTEE MEMBERS

Molly Milligan Chair
Francine DeChellis
Rita Hall
Marina LaGarde
Stephen Press

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