

TO: LAHSA Commission & Staff
FROM: Heidi Marston, LAHSA Executive Director
DATE: April 25, 2022
RE: LAHSA's Commitment to Ending Homelessness

In response to ongoing inquiries from the Los Angeles Homeless Services Authority (LAHSA) Commission regarding my March 2021 action to increase wages for LAHSA's lowest-compensated staff, I am submitting this letter to provide context and clarification around the decision and the implications of this decision.

Context

Since joining LAHSA as the Chief Program Officer in February 2019, through my tenure as Executive Director (ED), I have maintained two fundamental truths: 1) we will never solve the homelessness crisis without affordable, accessible, and sustainable housing, and 2) the racism and economic inequality inherent in our systems have created, and continue to perpetuate, widespread housing insecurity and homelessness. In Los Angeles (LA), these inequities are particularly pronounced; the Cost of Living in LA is 41.1% higher than the national average and the average cost to rent a one-bedroom apartment is 73.9% higher than the national average.

Prior to increasing LAHSA's minimum salary, LAHSA was paying wages as low as \$33,119 a year or about \$2,760 per month before taxes, benefits, retirement, childcare, utilities, food, student loans, etc. Affording a one-bedroom apartment at this compensation-level in LA is virtually impossible. In 2021, the U.S. Department of Housing and Urban Development (HUD) established that an individual in LA County making \$60,000 annually is considered "Low-Income" and those who make \$41,400 or less are deemed "Very Low Income". LAHSA was paying its own employees less than what was deemed necessary to live by federal standards, a devastating reality and shortfall that was not only inequitable, but seriously misaligned with LAHSA's core values. By allowing the continuation of this inequity, LAHSA's ED and each Commissioner charged with LAHSA's care would fail to uphold the very values that define LAHSA's purpose: Accountability, Collaboration, Compassion, Equity, and Integrity.

According to LAHSA's 2020 Point-In-Time (PIT) Count, more than 555,000 households in LA qualified as "Severely Rent-Burdened", meaning more than 50% of their household income was spent on rent. While the LAHSA Team continues to advocate for the development and protection of affordable housing in LA, the ability to actualize this immense need is far outside of our reach, authority, and – as our years of failed advocacy have proven – our influence. In my position, I am not able to impact the bloated rental costs in LA, nor am I able to demand broad compensation increases across every industry. However, I am able to increase LAHSA's advocacy presence on these issues as well as implement changes to LAHSA's compensation that cascade across the funding we administer. LAHSA's staff are the very

employees who are working each day to help others gain sustainable housing in a City where the cost of living is nearly twice the national average. Continuing to offer a salary of less than \$50,000 annually would be nothing short of negligent and signals a failure of LAHSA's organizational integrity.

Making The Decision

In March 2021, as LAHSA's ED, I increased the compensation of LAHSA's lowest-compensated employees to \$50,000.00 annually or \$24.04 per hour, an increase which impacted 196 LAHSA employees. At the same time, I froze the compensation of LAHSA's ten highest-compensated employees. Making the decision to increase LAHSA's compensation floor so that these staff members could better afford their own housing was important for three main reasons:

First – it was the right thing to do. LAHSA is an organization that openly proclaims its commitment to building equity and addressing systemic racism in America, emphasizing the ways systemic and institutional racism are inextricably intertwined with the homelessness crisis our country faces today. This is a sentiment I have articulated many times over the past several years. However, when 91% of your lowest-compensated employees are minority racial/ethnic groups that are subjugated by systems of white supremacy, you must take swift and direct action. The employees of the Los Angeles Homeless Services Authority should not make so little that they qualify for homeless services themselves. Decisions that undermine basic equity principles illuminate the fundamental gap between our stated organizational values and our true beliefs. How can LAHSA staff trust the organization to lead in diversity, equity, and inclusion if our very policies fail to recognize their humanity and put them at serious risk of being unhoused themselves?

Second – LAHSA has the budgetary capacity to make this change. My decision to freeze compensation increases for LAHSA's highest-compensated employees in combination with available administrative funds ensured the aggregate cost of the increase was well within our financial viability. Additionally, I have told every Homeless Services Provider and Community-Based Organization we fund that LAHSA will make necessary changes to any existing contract to enable the same salary increases for their lowest-compensated employees. Some organizations have already chosen to make this shift and have engaged LAHSA to amend their contract(s), while others maintain that a salary increase to a \$50,000 minimum is not possible. To support these organizations, LAHSA, in partnership with the Hilton Foundation, is bringing in Nonprofit Finance Fund to identify budgetary, contractual and operational shifts to enable this adjustment. This is the first step to actualizing this necessary change, and LAHSA's Commission can and should follow these steps with advocacy to the local, state and federal government to cement fair wage as an irrevocable part of LAHSA's operations.

Third – this decision, communicated to the Commission on February 26, 2021, was a decision within my charge as LAHSA's ED, responsible for overseeing the administration of nearly \$1B

in funding and supporting 600+ employees. Decision-making at LAHSA is too often subject to the competing surveillance and agendas of its over 30 unique overseers including but not limited to a politically-appointed 10-member Commission, 15 City of LA Councilmembers and their Offices, LA City Mayor and their Office, LA City's Administrative Officer (CAO) and their Office, the LA Housing Department (LAHD, formerly HCID), the LA County Board of Supervisors and their Offices, the LA County Homeless Initiative Office, among others. In matters of compensation, retention, and service of LAHSA's own staff, I would be remiss in my position if I allowed this vital cornerstone of our services to become an item for political dispute. I made the decision in my full authority as ED of LAHSA, in the best interest of the staff and clients I am sworn to support.

From the time of initial notification in February 2021, LAHSA's Management Committee had the opportunity to leverage their positions to amplify this action and support our partners in making the same adjustments. Instead, in January 2022, nearly a year after my decision to increase minimum salaries, the Committee called on City and County Attorneys to opine on my jurisdictional authority to increase wages for LAHSA's lowest-compensated Employees at all.

In environments like the homeless services sector, organizations are challenged with significant one-time funding and a lack of multi-year budget commitments, resulting in the constant threat of fiscal cliffs. LAHSA and its partners must do everything within its power to stabilize this vital workforce. An attempt to reverse or undermine my action demonstrates a stark disparity between the values Commission purports to uphold and its willingness to put those values into practice through meaningful system change.

As evidenced in the 2021 National Innovation Service (NIS) Report ([LAHSA Opportunities for Advancing Racial Equity](#)), this consistent injection of authoritative dispute into LAHSA's operations has hamstrung LAHSA's organizational culture and strategic advancement. We must take intentional and deliberate action to counteract the powerlessness of staff across all levels of LAHSA to collectively affect meaningful change and uphold LAHSA's mission. From May 2020 to October 2021, in order to identify further opportunities for antiracist practice and policy, the NIS conducted an organizational audit by engaging LAHSA staff to understand their experiences, needs, and priorities related to racial equity. The report states:

"The staff is ready to change, but it is currently unclear if the institution as a whole is prepared to, or actually can take action in deep and meaningful ways. The pressures from outside entities, especially from LA City and LA County, are real and demanding, and create a circular pattern of harmful organizational behavior internally. Although leaders within LAHSA want to champion the organization and position it in the forefront of excellence in the national homeless services sector, LAHSA's organizational goals and priorities take a backseat to those that are being developed and forced by external bodies (LAHSA Commission, Ad Hoc Committees, etc.). The directives given from the

Commission create disorganization and shift the roles of employees who were focusing on one thing and now have to place responsibility on another goal.” (Page 19)

“The same pressures that are exerting themselves internally to LAHSA, as described above, also play out in the way LAHSA shows up with external partners, including the Commission, and the City and County. The relationships between entities, and the embodiment of LAHSA as the “step child”, create a dynamic where movement on the recommendations on governance, as articulated in the recent report to the Commission, are at jeopardy of being actualized without particular attention being paid to ways to intentionally interrupt the dynamics of lacking agency and reactivity that continue to play out. If LAHSA is unable to interrupt these patterns, or be transparent about them in a more significant way, it is likely to continue to face barriers both internally and externally with advancing racial equity goals. Movement on governance, including transparency, role-clarity, and system-wide vision and goals must move forward in a racially explicit way. And although it will be difficult for LAHSA to navigate a role that is leading this work, it will be a necessary role to play to build trust, and to interrupt the harm that is occurring for BIPOC staff within the organization and amongst BIPOC who are experiencing homelessness and housing instability in Los Angeles.” (Page 20)

LAHSA is an organization where many offload responsibility and blame for the growing homelessness crisis, but which holds very little authority or power to address the systemic inequities it is tasked to resolve.

This fundamental impediment has been exhaustively demonstrated during the past two years of formal governance review of LAHSA, and the resulting five governance reports to date. Since that work began in January 2020, LAHSA staff have borne the countless hours and efforts required to support each of these reports, while the reports have led to little in way of outcomes. LAHSA has taken the initiative to implement the few recommendations within our control, but ultimately only a true investment in collaboration between the County and the City, and the secession of power necessary to achieve such coordination, will bring effective, systemic solutions.

The Path Forward

I write this letter to express my deep concerns with LAHSA’s Management Committee’s objections to the March 2021 salary adjustments. Since making this decision, I have been accused of undermining ‘management’s position’ in re-negotiating LAHSA’s new Union Contract. Homeless Service Providers have perceived the decision as an attempt by LAHSA to poach staff. **These accusations reject the greater truth, that we cannot challenge systems and simultaneously keep people trapped in them.** My decision to increase LAHSA’s compensation floor to \$50,000, as well as my decision to freeze compensation increases for our most highly-compensated employees, addressed the permanent need – as well as the pressing need of this moment in history – to align our commitments and values at every level of our work.

I accepted this position over two years ago with the sincere, if not enthusiastic, belief that I could work in partnership with many who care about people experiencing homelessness to effect lasting change. Since, I have done all I could professionally (and even personally) to drive the mission forward. The simple fact is – I deeply care about those we serve. Sadly, in this role I have faced the impossible dilemma of representing and driving LA's best-practice homeless services, while charged with silent adoption of policy and funding decisions that stray from those best practices. I learned that to speak out against these decisions as LAHSA's ED – decisions which may violate the recommendations of people with lived experience, subject matter experts, overwhelming data, and good conscience – is to directly threaten the very funding allocated to serve LA's unhoused population. Cuts to LAHSA ultimately means cuts to the service providers, staff, and the infrastructure that moved more than 80,000 people in LA into permanent housing in the last 4 years. In my time as ED, I have worked tirelessly to strike a balance between preservation and fortification of the front line to a humanitarian crisis, and advocacy for the fundamental changes necessary to bring this crisis to an end.

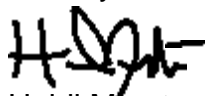
My journey in this role has revealed that when decisions are made that further drive the disparities and inequities we see in this work, the greatest manifestation of which is the homelessness crisis, being silent is no different than being complicit. I have hoped to guide and motivate difficult decisions towards the true service of LAHSA's clients, but I will no longer silently comply with decisions that take LAHSA further away from its mission.

It is with this conviction that I write this letter to tender my resignation as LAHSA's ED, effective Friday, May 27, 2022.

I owe the deeply passionate and talented employees of LAHSA a transition timeline that ensures minimal disruption to operations. I also owe it to my Chief Officers to ensure that my portion of our immense, collective workload is not immediately added to their overloaded portfolios. I will spend the next four weeks developing transition plans for seamless handoff of ongoing initiatives.

Something brought each of you to this effort and my hope is that you reflect on what it will take to truly end this humanitarian crisis. Ultimately, it will take people in positions of power choosing a far bolder path than the one we are walking now to achieve a reality that we are united in realizing.

With eyes to the path ahead,

A handwritten signature in black ink, appearing to read 'H. Marston'.

Heidi Marston