

Troubling Rise of Urban Alchemy

Privatization of public space,
labor exploitation, and
criminalization of
homelessness



Urban Alchemy is on their way to becoming one of the most powerful profiteers in the homelessness industry; creating a dangerous precedent for cities in the U.S.

A nonprofit based in San Francisco, Urban Alchemy receives nearly \$50 million through contracts managing shelters, sanctioned encampments, and hygiene stations.

Increasingly, and a cause for major concern, they are tasked to patrol public streets, parks, and transit stations despite not being a licensed private security company.

It's difficult to walk the streets of San Francisco without seeing one of their uniforms.

You will instantly spot their Alchemist inspired branding. A logo representing their 'third eye' and jarring slogans invoking an unnerving feeling of being watched or surveilled.



“Once you see us, you can’t unsee us”

The logo represents “the part of us that cannot be cheated, manipulated, or deceived” or what they call:



No fuckery™

Despite their insistence on ‘no fuckery’ there sure seems to be a lot of fuckery going on behind the scenes.

This zine will dig into the history of Urban Alchemy, their lucrative contracts, exploitative labor practices, displacement, criminalization, and the overall impact they have among unhoused people in California and beyond.

It's time we open our third eye and practice the principles of ‘no fuckery’ as asserted by Urban Alchemy:

Reject self-deception! Call out the lies! Take a stand against injustice! Hold Urban Alchemy accountable!

“It’s a code of conduct everyone can understand”

Early History of Urban Alchemy: SF's Pit Stop

Urban Alchemy started as a project of Hunter's Point Family, a nonprofit serving predominately Black neighborhoods in San Francisco. In 2014, with support from the Department of Public Works, Urban Alchemy launched Pit Stop, a mobile hygiene and workforce development program.



The program was premised on reintegration for people who were recently released on parole, self-described 'lifers'. Workers were housed in temporary re-entry programs and were tasked with overseeing and maintaining bathrooms and hand-washing stations spanning six locations.

What began as a project with only twenty-four employees soon expanded to Venice and Los Angeles; marking the beginning of what would become a lucrative enterprise, delving deep into the insidious business of homelessness.



Urban Alchemy rapidly expands operations during pandemic

Urban Alchemy didn't really take off until the start of the COVID-19 pandemic.

In May 2020, Urban Alchemy won a \$10 million contract to operate a sanctioned encampment located near San Francisco City Hall, the first of many established during the onset of the pandemic.



Government and nonprofit run sanctioned encampments became increasingly common in large cities, especially in the west; acting as a workaround for *Martin v. Boise*. The Ninth Circuit ruled enforcement of camping bans are unconstitutional if no other shelter is available.

Since indoor shelters posed a greater risk for spreading the COVID-19 virus, cities pivoted to sanctioned encampments as a means to continue sweeps.

In 2021, Urban Alchemy was awarded a \$2.3 million contract to operate another sanctioned encampment.

This contract was shortly followed up with another \$5 million contract to oversee a vacant lot filled with cabins for unhoused people. Both sites were located in downtown San Francisco.

Next, Urban Alchemy began overseeing safe parking sites with multiple contracts totaling \$5.6 million.



San Francisco's current mayor, London Breed, does not shy away from expressing her support for Urban Alchemy nor her disdain for the unhoused community.



Almost all of the contracts Urban Alchemy has received in San Francisco have been 'no-bid' contracts. This means the contracts were awarded without the City issuing a Request for Proposal, allowing other entities to apply for the contracts.

Starting in 2019, Mayor London Breed started using an ordinance which allows no bid contracts for the Department of Homelessness and Supportive Housing.

In August 2021, London Breed awarded an \$8.8 million contract to Urban Alchemy as part of her Mid-Market Vibrancy and Safety Plan. This time, instead of managing hygiene facilities or shelters, Urban Alchemy would station 'ambassadors' to patrol every block of the district.

In late 2021, London Breed issued a state of emergency in the Tenderloin District, fear-mongering about homelessness, crime, and dirty streets. She used this declaration to expand upon the contract she awarded earlier that year for Mid Market.

In October 2022, London Breed once again expanded upon this contract, announcing the creation of 150 new ambassador positions. And not just for the sidewalks, ambassadors will also be stationed at BART station throughout the district.

Urban Alchemy reported in 2022 that their operating budget is \$43 million of which \$41 million are from contract services. This includes a recent \$18.7 million contract awarded in February 2022 to oversee a 250-person shelter. A massive increase from their reported earnings in 2020 at just \$8 million.

And the money just keeps flowing

Urban Alchemy wreaks havoc in Los Angeles

Urban Alchemy ultimately made its way to Los Angeles in 2019, launching Pit Stop in the heart of Skid Row. The program was met with mixed reactions.

In December 2020, Los Angeles contracted Urban Alchemy at Echo Park Lake for \$350,000. A community of unhoused people were living in the park, having called the place home for the past eighteen months.

The City was fast-tracking efforts to remove them.

Urban Alchemy was tasked with doing 'outreach'. The outreach consisted of coercive referrals to shelter and services given under the pretense that they would eventually be forced out. They also conducted tent counts and reported the information to Los Angeles Police Department (LAPD).

In March 2021, with roughly 15-20 residents remaining, a massive two day raid of Echo Park Lake unfolded. Residents and community members fought back, resulting in dozens of arrests and injuries by LAPD.

City workers spared no time erecting a fence surrounding the entire perimeter of the park once it was cleared out. Urban Alchemy was in charge of patrolling the park and maintaining the fence during the aftermath of the raid.



Urban Alchemy helped extensively with their media campaign spreading false claims of putting over 100 people into housing. In reality, according to a report from the UCLA Luskin Institute, of the 183 people who were placed on a housing list only 17 people were placed in housing. Of those 17, only 5 people were placed in permanent housing.



Urban Alchemy
@UrbanAlchemyUA

...

166 people got housing today. Great day #EchoParkLake #resources and wraparound services for our community family.

Shortly after the raid, a motion was introduced by City Councilors to dissolve LA Homeless Services Authority, a City and County agency, and replace them with Urban Alchemy. Although the motion failed it still acted as an alarming indicator of the City's shift towards even more privatization of public services.



LA awarded Urban Alchemy several contracts to manage sanctioned encampments across the city, including one worth \$1.1 million.

They received \$2.6 million to manage the CIRCLE pilot program, a crisis response team dispatched through 911.

On top of that, they received \$400,000 for outreach services in Hollywood and Venice over four months and \$1.7 million for a year of 'Skid Row Cleaning'.

Since the Echo Park Lake displacement and subsequent expansion of their contract services and funding, Urban Alchemy has maintained a strong presence on the streets of LA and the ears of some of the City's most elite billionaires who have aggressively lobbied for the continued erasure of poor and homeless people.

Exploitation is the name of the game

One of the foundations of Urban Alchemy is hiring people who are recently released from prison or recently off the streets. This is not a new idea but rather built off similar programs that have become increasingly common since the advent of neoliberalism in the early 1980s, a time of increased privatization and public-private partnerships.

Despite the stated intentions of these programs, to provide job opportunities to under-served communities, they are often used to justify exploitative labor practices under the guise of being philanthropic.

Local municipalities will outsource what are normally public sector jobs to private contractors. Many of the workers are not unionized, they are not paid a living wage, nor do they receive the same benefits of other public employees, such as health insurance.

**Statistics only tell
half the story. Our
people tell the rest.**

1189
Urban Alchemy Practitioners

The 'rest of the story' Urban Alchemy doesn't want you to hear:

When they brought the program down here to LA, rather than using parolees, they were using people who were coming out of the county jails, who didn't have guaranteed housing, didn't have that extensive training that the parolees got.

And they were even hiring people who were homeless on the street and paying them the same seventeen bucks an hour.

It's not a living wage.

David Busch-Lilly
Unhoused activist and former Echo Park Lake resident

Programs like these are common in Business Improvement Districts (BIDs). These districts contract with local municipalities to provide public space services such as street cleaning and security.

It should come as no surprise Urban Alchemy has contracted directly with BIDs for security and cleaning services, including the Tenderloin Community Benefit District in San Francisco.

Despite the exploitative nature of many of these programs, we cannot blame people for wanting to take part in them, and we shouldn't be surprised many people who take these jobs express gratitude. There are numerous reasons people take these job opportunities. Part of the malice behind these programs is the tendency to pit poor people against each other despite experiencing similar hardships.

Organizations led by and for unhoused people have created dignified alternatives, however. Ground Score Association in Portland, Oregon hires people picking up trash and recycling and working on environmental projects. All while receiving a living wage. Ground Score was created in 2019 with the support from another local organization Trash 4 Peace.

Grassroots, peer led initiatives, like that of Ground Score, recognize the need for these opportunities.

The key difference is they ensure the initiatives are rooted in community and not exploitative.



Despite their claims to the contrary, Urban Alchemy is the antithesis of dignified employment opportunities for people who are experiencing homelessness.

Instead the money is being used to line the pocket of their CEO while workers struggle with housing insecurity.

Legal trouble: Urban Alchemy gets served

The exploitative labor practices of Urban Alchemy have come under legal fire in recent years.

Urban Alchemy was subject to their first class action lawsuit in December 2020; Neutall v. Urban Alchemy alleged several labor violations including wage theft, failure to provide required meals and rest breaks, among many others.

Another class action lawsuit was filed in August 2021 on similar grounds, Reyes v. Urban Alchemy

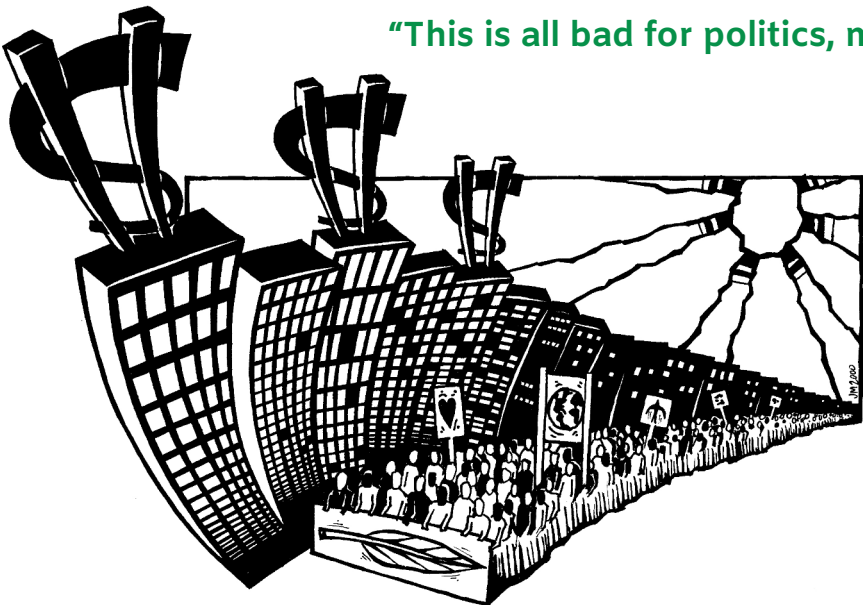
Urban Alchemy has also been subject to a class action lawsuit for civil rights violations.

Strickland v. Urban Alchemy, filed in October 2021, was filed by a transgender woman, who earlier had been feeding birds in a public park and praying.

An Urban Alchemy ambassador asked her to leave, with no lawful basis other than she was allegedly “scaring people”. The ambassador continuously misgendered her. Eventually he called the cops who also asked her to leave.

In the court documents, the Urban Alchemy ambassador allegedly told his coworker on the phone:

“This is all bad for politics, man.”



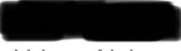
Security or Not Security? That is the question


Much of what has been described about Urban Alchemy throughout this zine would probably lead you to believe they are a private security company.

Urban Alchemy uses legal loopholes, such as registering as a nonprofit, to avoid being labeled as security, thus they are not subject to oversight and licensing requirements most private security officers are subject to.

Despite claiming to not be security guards, legally speaking, that sure hasn't stopped workers from calling themselves one as was revealed during an undercover investigation conducted by Knock LA:

 - Security Guard - Urban Alchemy | LinkedIn

, California, United States · Security Guard · Urban Alchemy

, California, United States | Security Guard at Urban Alchemy | 11 connections | View

 profile, activity, articles.

For their undercover investigation a journalist with Knock LA applied for a job at Urban Alchemy and underwent training as an ambassador. At one point, the employee training them was quoted saying:

“We may look like security, but we’re not security”

Under California law, charities “organized and maintained for the public good” are not subject to private security licensing requirements. Urban Alchemy maintains this status as a registered nonprofit and avoids using words such as ‘security’, ‘guards’, and ‘patrols’.



Lena Miller, the CEO, has also repeatedly said in interviews with media Urban Alchemy is not security.

At the same, time emails with City Officials and even some of their contracts use these words when describing the services they are contracted for.

Despite their defiance, multiple private security experts have gone on the record saying Urban Alchemy meets the legal definition of private security.

Under normal circumstances, as a private security company, Urban Alchemy would be required under California law to undergo an extensive licensing process for all of their employees including training as well as background checks through the FBI.

San Francisco also has a city ordinance requiring all security guards to register with the city; although evidence suggests this ordinance is not often enforced.

Urban Alchemy's training is questionable at best. According to Knock LA's investigation most of their training materials are based in New Age philosophy.

The training also preaches de-escalation tactics but does little to train employees on how to actually use those tactics. The training suggests they call the police.

It's no secret Urban Alchemy works with police and the line between security and not security remains unclear.

VERBAL DE-ESCALATION TECHNIQUES

A wise man told me don't argue with fools. Because people from a distance can't tell who is who.

- TRUST INSTINCTS: IF YOU DETERMINE THAT YOUR EFFORTS ARE NOT WORKING, STOP
- THE POINT OF DE-ESCALATION IS TO COUNSEL SOMEONE OUT OF VIOLENCE...NOT TO TALK TO HIM/HER UNTIL HE/SHE GETS VIOLENT
- CALL NON EMERGENCY 911

Urban Alchemy National Expansion

Although most of their contracts are in San Francisco and Los Angeles, Urban Alchemy currently operates in thirteen cities in California. They don't intend to stop their growth in California, however.

In late 2021 Urban Alchemy hired Jeff Kositsky to facilitate their 'national expansion' with the goal to increase their finances to over \$100 million.

Jeff Kositsky was the first director of San Francisco's Department of Homelessness and Supportive Housing appointed in 2016. He was in charge of all things homelessness related in San Francisco.

Later on, in 2020, he was appointed as the director of San Francisco's Healthy Streets Operating Center, the city agency behind many of the City's sweeps. He came under intense scrutiny after emails calling for the removal of public restrooms to deter camping were revealed.

After calls for his resignation, he left his position at the City and quietly joined Urban Alchemy.

Austin, Texas was Urban Alchemy's first venture outside California.

On July 28, 2022, Austin City Council awarded a contract to Urban Alchemy to manage one of their largest shelters.

This was despite concerns raised by local service providers of their lack of expertise and their controversies in California.

The ordinance awarding the contract passed with two councilors voting no.

Portland, Oregon appears to be the next location Urban Alchemy wants to move to.

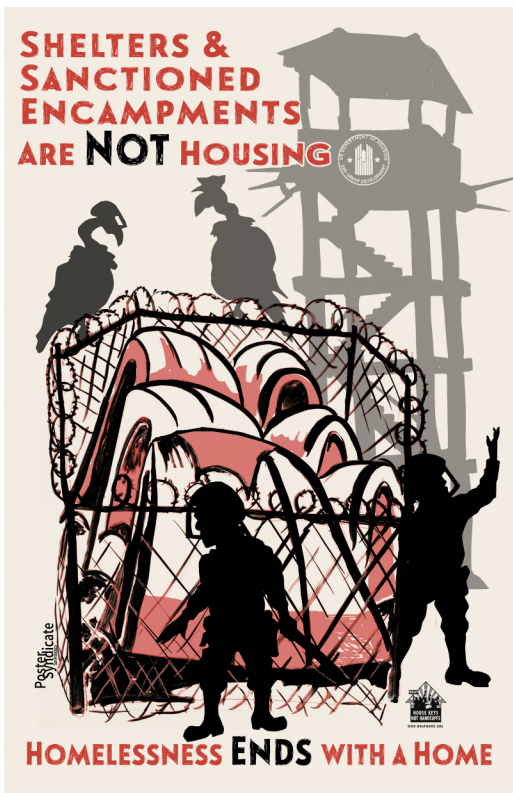


On October 21, 2022, during a press conference, Portland Mayor Ted Wheeler unveiled his proposal to create three massive sanctioned encampments of up to 500 people each and implement a citywide public camping ban.

When asked by a reporter who would manage these encampments, Ted Wheeler said he was consulting with Urban Alchemy and would visit Los Angeles in the following days to further discussions with them about coming to Portland.

After his visit in Los Angeles, his top aide and former mayor, Sam Adams, said they are a strong contender to run the encampments. Ted Wheeler also stressed the importance of using the private sector in order to address issues of homelessness. He said it was a common theme brought up in his conversations.

Although unclear if Urban Alchemy will be awarded a contract, the future is looking like they will take over, continuing their reign of terror, block by block.



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