



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R26-0595
10/09/2026

SUPPLEMENTAL REPORT IN THE PUBLIC INTEREST RE:

**EVICITION DEFENSE AND PREVENTION PROGRAM CONTRACT STATUS
LEGAL AID FOUNDATION OF LOS ANGELES / STAY HOUSED LA COALITION
(CITYWIDE)**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File Nos.: 20-1084; 20-1084-S4

Honorable Members:

This Supplemental Report in the Public Interest is filed to update public Report No. R26-0391 (July 2, 2026 Report), public Report No. R26-0340 (June 15, 2026 Report), confidential Report No. R26-0126 (March 2, 2026 Report) and confidential Report No. 25-0322 (June 23, 2025 Report), all submitted to the Los Angeles City Council (Council) in connection with the efforts undertaken by the Office of the Los Angeles City Attorney (Office) to negotiate with and obtain reporting from the Legal Aid Foundation of Los Angeles (LAFLA).

Timeline of Events

The initial contract for eviction defense services was a \$7 million “pilot” awarded to LAFLA in 2021, based on an exception to the City Charter’s competitive bidding requirements for exigent circumstances related to the COVID-19 pandemic. That contract was amended and extended nine times, growing to a total of more than \$90 million, all paid by the City to LAFLA without obtaining or enforcing the detailed information, access and reports required by the original \$7 million original agreement. The last amendment

to Contract No. C-138260 (the Original Contract) with LAFLA was executed in December 2025, and it extended the term of the Original Contract to March 31, 2026. The June 15, 2026 Report submitted by the City Attorney (see Council File Nos. 20-1084 and 20-1084-S4) sets forth the history of the Original Contract with links to other relevant documents, while the July 2, 2026 Report provides an update and detailed some of the issues that raise questions regarding LAFLA's usage of funds already received as available from LAFLA's own public filings.

Despite these issues and at the direction of the City Council, this Office finalized the negotiation and execution of new agreements for eviction defense services with four providers including LAFLA. This Office is continuing to investigate the expenditure of funds by LAFLA to date and is now filing the information below (including a handful of errata to the numbers in the July 2, 2026 Report) in order to ensure that the comparisons year-over-year are accurate. The preliminary conclusions from the July 2, 2026 Report remain unchanged: Between \$55 million and \$87 million in funds provided to LAFLA from the City and County remain unaccounted for in the publicly available information for the period 2021 through 2025, and only LAFLA's Single Audit Report (and not its tax return Form 990) is available for 2025.

Adjustments to the July 2, 2026 Report

The City's audit, testing, and reconciliation of the expenditure of the funds already provided in prior years and summarized in the July 2, 2026 Report continues to be of paramount importance. The below adjustments to the July 2, 2026 Report have been identified to ensure that the year-over-year data are accurate and calculated on the same basis.

TOTAL CITY PROVIDED FUNDING TO LAFLA (2020-2025): \$104,721,995 (the July 2, 2026 Report underreported this amount at \$103,731,995 which resulted from a typographical error in the total amount for 2024 of City provided nonfederal awards).

TOTAL COUNTY FUNDING TO LAFLA (2020-2025) (not including the \$6,117,772 from the Legal Services Corp that was included in the County number in the July 2, 2026 Report): **\$52,412,095**

Aggregate City and County grants for 2020-2025: \$157,134,090

The 2025 tax return is not yet available, resulting in a reduction of the aggregate grants **to LAFLA from LA City and County for 2020-2024** of **\$103,808,158**.

Part III, Line 4a or 4b of the Forms 990 for 2020-2024 indicate program expenses and grants for Housing, Communities and Eviction Defense (Eviction Program) which is where the 2020 Schedule O says the StayHoused LA programs is included and accounted for:

2020: \$5,303,310 in expenses with -0- identified as grants;
2021: \$12,741,345 in expenses with \$6,622,785 identified as grants;
2022: \$17,555,444 in expenses with \$10,511,896 identified as grants;
2023: \$8,919,486 in expenses with \$107,128 identified as grants; and
2024: \$4,368,125 in expenses with -0- identified as grants.

Total 2020-2024 Eviction Program Expenses: \$48,887,710

Total 2020-2024 Eviction Program Grants: \$17,241,809.

LA City and LA County 2020-2024 Grants that are not traceable from the Single Audit Reports to the Eviction Program:

\$86,566,349 above the funds identified as grants for the Eviction Program;
\$54,920,448 above the expenses for the Eviction Program.

Necessity of Ongoing Investigation and Audit

This Updated Report in the Public Interest is filed because there is still work to be done to account for tens of millions of dollars in funds under the Original Contract, especially since LAFLA's most significant activities (as described by LAFLA itself in its tax returns) consist of suing the City. For example, LAFLA described its "legal victories in 2024" in its 2024 return as

- (a) "Civil Rights for Unhoused People" litigation that "challenges the constitutionality of an ordinance in Los Angeles that allows the City to seize and destroy unhoused residents' belongings" **which of course is the Garcia case against the City of Los Angeles; and**
- (b) "Representing community organizations that work with unhoused people in Skid Row in an intervention in a lawsuit by property owners against the City of Los Angeles for alleged nuisance conditions that impact all unsheltered individuals in the City" **which of course is the Alliance case against the City of Los Angeles.**

Those are not the only instances in which LAFLA has sued the City of Los Angeles. Attachment 1 to this Updated Report lists lawsuits in which LAFLA has sued or been counsel of record for parties who have sued the City of Los Angeles.

This Office paused its investigation into LAFLA to follow Council's directive to finalize the new agreements, but as set forth above those new Agreements now have been finalized. Since the new LAFLA Agreement was finalized, LAFLA has delivered some information under the reporting provisions of this new Agreement. The information delivered is in the form of spreadsheets without a summary, explanation, or accessibility and requires further analysis and investigation to verify the utilization of City funds under

this new Agreement. Our Office will be following up with LAFLA directly to obtain better information on the information provided under the new Agreement.

More importantly, however, there are still **\$55 million to \$87 million in funds unaccounted for out of the \$157,134,090 in grant funds** provided by LA City and LA County for Stay Housed LA from 2021 through 2025.

LAFLA must be made to account for those funds as well as the \$106 million just approved by City Council this year. There is a particular imperative to obtain transparency and accountability on the expenditure of the massive amounts of City funding for tenant eviction defense when LAFLA's own tax returns suggest that the money may well have been used for other purposes, most notably to fund litigation against the very City that provided the funds.

The City's interests requires a complete audit of and accounting from LAFLA of all of these amounts. Los Angeles, its residents and its taxpayers deserve no less.


HYDEE FELDSTEIN SOTO
Los Angeles City Attorney

Attachment

ATTACHMENT

LITIGATION INVOLVING LAFLA/STAY HOUSED LA

1. CD11 Coalition for Human Rights v. City of Los Angeles, LASC Case No. 26STCP00040 (Applicability of AB 630).
2. Wiggins v. Board of Directors of the CRA/LA and City of Los Angeles, LASC Case No. BC276472 (Downtown Hotel Redevelopment guidelines).
3. Janet Garcia v. City of Los Angeles, USCD Case No. 2:19-cv-06182-DSF-E (City's removal & disposition of unhoused possessions).
4. LA Alliance for Human Rights, et al. v City of Los Angeles, et al., USCD Case No. 2:20-cv-02291-DOC-KES (Judge Carter oversight of City shelters).
5. LA Catholic Worker, et al. v. City of Los Angeles, USDC Case No. CV 14-07344 PSG (AJWx) (alleged LAPD and BID violate the civil rights of homeless people)
6. Legal Aid Foundation of Los Angeles v. City of Los Angeles, LASC Case No. 24STCP04094 (alleged Public Records Act violations re: LADOT towing).
7. Carl Mitchell v. City of Los Angeles, USDC Case No. 16-cv-01750 SJO (JPR) (City's removal & disposition of unhoused possessions in Skid Row).
8. People Organized For Westside Renewal v. The Los Angeles Board of Transportation Commissioners, LASC Case No. 25STCP01091 (Venice Dell alleged Brown Act violation).
9. Safuto v. City of Los Angeles, LASC Case No. 19STCP03110 (challenge to Community Assistance Parking Program).
10. Strategic Actions for a Just Economy v. City of Los Angeles, LASC Case No. 23STCP00702 (CD-8 development project near USC).
11. Valentine v. City of Los Angeles, LASC Case No. BC603647 (challenge to ordinance that closed City beaches from midnight to 5:00 a.m).
12. Venice Community Housing Corporation v. The Los Angeles Board of Transportation Commissioners, et al. LASC Case No. 25STCP00892 (Venice Dell BOTC writ of mandamus).
13. Cangress v. City of Los Angeles, LASC Case No. 25STCP00261(Brown Act challenge arising out of LA Alliance).
14. LAHSA & LA Continuum of Care v. DJ Trump et al, USDC Case No. 2:26-cv-07056-DOC-AJR (LAHSA suit to enjoin HUD and COC changes to allow County to apply).