

BUDGET AND FINANCE COMMITTEE REPORT relative to Opioid Settlement Fund reimbursements; the proposed Westlake Area Harm Reduction Drop-In Center; and a Request for Proposals for the delivery of community-based opioid remediation services.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. NOTE and FILE the CLA report dated February 21, 2025, attached to Council file No. 23-0670-S2.
2. REQUEST the Mayor's Office of Community Safety; and, INSTRUCT the Los Angeles Housing Department (LAHD), and the Department on Disability (DOD), in coordination with the City Administrative Officer (CAO), to complete the necessary invoices and reporting requirements to ensure that substance use disorder services administered by these respective entities receive Opioid Settlement Fund reimbursement. Include the Unarmed Crisis Response program, Crisis and Incident Response through Community-led Engagement (CIRCLE), and Los Angeles Fire Department to also complete the necessary invoices and reporting requirements to ensure Opioid Settlement Fund reimbursement.
3. APPROVE the following recommendations outlined in Option B contained in the CLA report dated June 20, 2025, attached to Council file No. 23-0670-S2:
  - a. Instruct the DOD to draft a Request for Proposals for the delivery of community-based opioid remediation in the following seven regions of the City: East Valley, West Valley, East, Central, Harbor, West and South Los Angeles.
  - b. Instruct the CAO to allocate \$3,500,000 in Opioid Settlement Funds to a new line item entitled "Opioid Remediation Program – Department of Disability" to support the delivery of opioid remediation services by community-based health organizations through a competitive bidding process, with a contract value of \$500,000 for each area.
  - c. Instruct the CAO, with the assistance of the DOD, to report on a staffing plan utilizing Opioid Settlement Funds for temporary As-Needed staff and/or contractual services to support the accounting, contract monitoring, data collection and reporting requirements associated with the program.
4. LIMIT the amount of Opioid Settlement Funds that can be used to conduct program assessments, inasmuch as the funds should be focused on service delivery.
5. INSTRUCT the DOD to consult with each interested council office to determine District needs prior to release of the Request for Proposal (RFP).
6. INSTRUCT the CLA, with the assistance of the CAO, LAHD and DOD, to engage with the County to explore complimentary funding for services for people experiencing homelessness in need of opioid remediation services.
7. INSTRUCT the Chief Legislative Analyst (CLA) to:
  - a. To provide a progress report to Council in 90 days on the City/County partnership to establish the proposed Westlake Area Harm Reduction Drop-In Center.
  - b. To work with the Mayor's Office and the Information Technology Agency to report to Council on the outcomes/metrics from the Mayor's Opioid Program.

- c. To report in 90 days with a criteria evaluation matrix for proposals submitted in Fiscal Year 2025-26 and moving forward by the Council and Mayor's Offices that are provided to the CLA and City Administrative Officer (CAO), inclusive of the Measure of Access, Disparity, and Equity, Los Angeles Equity Index and Tool, overall need areas across the city, the measured impact that the money will have in the proposal areas, as well as number of fentanyl overdoses and fentanyl overdose deaths as provided by the Los Angeles County Department of Public Health, Substance Abuse Prevention and Control Bureau census tract data.
- d. To report within 30 days with options for adding two positions in DOD and CAO to administer all programs funded by the Opioid Settlement.

Fiscal Impact Statement: The CLA states that there is no impact to the General Fund. The recommendations in this report pertain to Opioid Settlement funds. The Opioid Trust Fund currently has an appropriated balance of approximately \$22 million, of which \$7.9 million is encumbered for inpatient substance use disorder services for people experiencing homelessness (Council file No. 23-0670). Council also set-aside \$3 million for the Westlake Area Harm Reduction Services Drop-In Center, which is currently in development, leaving an available balance of approximately \$11,100,000. The City will continue to receive an estimated \$4 to \$5 million annually for the remainder of the Opioid Settlement payout period, which is approximately 18 years.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on July 30, 2025, the Housing and Homelessness Committee considered CLA reports relative to Opioid Settlement Fund reimbursements; the proposed Westlake Area Harm Reduction Drop-In Center; and a Request for Proposals for the delivery of community-based opioid remediation services. After an opportunity for public comment was held, the Committee recommended to move forward the recommendations contained in the CLA report dated June 20, 2024, as amended, as detailed above.

Subsequently on September 9, 2025, the Arts, Parks, Libraries, and Community Enrichment (APLCE) Committee considered the same matter. Representatives from the office of the CLA provided an overview of the program and responded to questions posed by the APLCE Committee. After providing an opportunity for public comment, the APLCE Committee concurred with the Housing and Homelessness Committee action of July 30, 2025, and further amended the matter as detailed above.

Finally, the matter was considered by the Budget and Finance Committee at its regular meeting held on October 7, 2025. The Budget and Finance Committee concurred with APLCE and further amended the item, as detailed above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

BUDGET AND FINANCE COMMITTEE

| <u>MEMBER</u> | <u>VOTE</u> |
|---------------|-------------|
| YAROSLAVSKY:  | YES         |
| BLUMENFIELD:  | YES         |
| HUTT:         | YES         |
| McOSKER:      | YES         |
| HERNANDEZ:    | YES         |

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**-NOT OFFICIAL UNTIL COUNCIL ACTS-**