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MEMO

Date: April 9, 2026

To: Honorable Members of the Los Angeles City Council

From: Janine Lim, Deputy Chief Finance Officer 

CC: Gita O'Neill, Interim Chief Executive Officer
Janine Trejo, Chief Financial Officer

Re: Report on Homeless Housing, Assistance, and Prevention (HHAP) Underspend (Council File 23-1022-S16)

This memorandum is submitted in response to [Council File 23-1022-S16](#) approved by the Los Angeles City Council (Council) on June 25, 2025. During the Housing & Homelessness Committee meeting, Councilmember Blumenfield requested that the Los Angeles Homeless Services Authority (LAHSA) report back on savings and underspending across Homeless Housing, Assistance, and Prevention (HHAP) Rounds 2, 3, and 4, as well as from the City General Fund (GF) tied to homelessness programs administered by LAHSA.

This report responds to that request by:

- Providing a summary of confirmed savings and underspend across City-administered HHAP Rounds 2, 3, and 4 based on reconciled expenditure data and cash reimbursement requests submitted to the Los Angeles Housing Department (LAHD).
- Outlining LAHSA's monthly fiscal reporting processes to the City Administrative Office (CAO), including Budget vs. Actual reporting and reimbursement submissions based on actual costs incurred.
- Describing the reconciliation and coordination process undertaken with CAO and LAHD to validate confirmed balances prior to their inclusion in the February 2026 CAO homelessness funding report.

EXECUTIVE SUMMARY

This report provides the Los Angeles City Council with a summary of confirmed savings and underspend data related to City-managed Homeless Housing, Assistance, and Prevention (HHAP) Rounds 2, 3, and 4, based on reconciled expenditure data and cash reimbursement requests submitted by LAHSA to the Los Angeles Housing Department (LAHD). LAHSA, in coordination with the CAO and the Los Angeles Housing Department, identified \$22.8 million in prior-year unobligated HHAP funds from Rounds 2–4. These balances were validated through a structured fiscal review process and were included in the CAO's February 2026 Third Homelessness Funding Report ¹ to support reprogramming and timely State HHAP spending.

RECOMMENDATION

¹ [FY 2025-26 Third Homelessness Funding Report](#)



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That the City Council, subject to the approval of the Mayor of Los Angeles:

1. Note and file this report.

BACKGROUND

In prior fiscal years, LAHSA administered Homeless Housing, Assistance, and Prevention (HHAP) funding on behalf of the City of Los Angeles pursuant to contracts with the Los Angeles Housing Department (LAHD). HHAP funds are allocated across multiple fiscal years and are subject to State expenditure deadlines, allowable use requirements, and reporting obligations. Given the multi-year nature of these allocations, expenditure patterns may vary throughout the fiscal year depending on program startup timelines, provider staffing, and invoicing cycles.

LAHSA is not reporting projected underspend for the active fiscal year, as doing so may result in the City reprogramming funds before providers have had the opportunity to submit all eligible invoices. Historically, most provider expenditures have been submitted during Quarter 4. For this reason, LAHSA recommends that any underspend analysis for the current fiscal year be completed in Quarter 1 of the subsequent fiscal year.

Below is a summarized list of underspend shared in the City's shared workbook, an outline of meetings, reporting processes, and events relevant to LAHSA's reporting of City HHAP underspend amounts for all prior fiscal years.

MONTHLY CITY HHAP 1–5 REPORTING

LAHSA Finance submits monthly Budget vs. Actuals reports to the CAO. This reporting has been conducted consistently since at least September 2022 and includes expenditure data by month across all HHAP funding rounds awarded to LAHSA. These reports provide ongoing visibility into expenditure trends, including for the current fiscal year.

CONFIRMED SAVINGS AND UNDERSPEND FOR HHAP

The following table summarizes confirmed savings and underspend across HHAP Rounds 2, 3, and 4, based on expenditure data and corresponding cash reimbursement requests submitted by LAHSA to LAHD. These figures reflect finalized prior fiscal year expenditures and confirmed unobligated balances:

City HHAP Summary from LAHSA Cash Requests

Funding Source	Budget	Expenditures	Balance/Underspend
City HHAP 2	\$ 27,184,688.82	\$ 22,941,230.22	\$ 4,243,458.60
City HHAP 3	\$ 77,265,858.36	\$ 70,299,007.78	\$ 6,966,850.58
City HHAP 4	\$ 95,685,667.31	\$ 84,121,011.89	\$ 11,564,655.42
	\$ 200,136,214.49	\$ 177,361,249.89	\$ 22,774,964.60



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CITY GENERAL FUND

It is LAHSA's understanding that prior year underspend in the City General Fund is not available to reprogram but is recouped during the City's close out/budget process.

REIMBURSEMENT REQUESTS

LAHSA submits monthly reimbursement requests to LAHD based on actual expenditures incurred under active funder agreements, including City General Funds, Alliance, HHAP, Roadmap, ESG, and Inside Safe. These submissions reflect invoiced costs from LAHSA and service providers and provide LAHD with visibility into current-year spending.

AD HOC UNDERSPEND ANALYSIS AND CONFIRMATION

LAHSA has participated in a series of recent coordination meetings with CAO and LAHD to confirm underspend amounts from prior fiscal years that are available for reprogramming. These meetings occurred on the following dates:

Coordination Meetings with CAO and LAHD

Year	Meeting Dates
2025	December 16, 2025
	December 17, 2025
	December 22, 2025
2026	January 12, 2026
	February 17, 2026
	February 18, 2026

As a result of these discussions, the CAO released [a report](#) on February 10, 2026 to the Housing & Homelessness Committee, and was approved on March 17, 2026. The report included recommendations to reprogram confirmed underspend dollars to other City initiatives.

LAHSA ROLE IN THE FY 2025-26 THIRD HOMELESSNESS FUNDING REPORT

In advance of the February 10, 2026 CAO Third Homelessness Funding Report, LAHSA undertook a structured fiscal reconciliation process to ensure that any HHAP balances identified for reprogramming reflected confirmed, prior fiscal year unobligated funds. These efforts were conducted in coordination with LAHD and CAO, and were designed to prevent premature reallocation of funds while ensuring timely compliance with State HHAP expenditure deadlines.



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LAHSA's efforts included:

1. Continued submission of Budget vs. Actual expenditure reports to CAO and monthly reimbursement requests to LAHD based on actual costs incurred, providing ongoing visibility into spending across HHAP funding rounds.
2. Comprehensive review of prior-year HHAP allocations to verify that all allowable invoices have been submitted and processed before confirming any unobligated balances.
3. Participation in a series of working sessions with CAO and LAHD to validate account-level balances and confirm eligibility for reprogramming.
4. Alignment of confirmed balances with the State's June 30, 2026 HHAP expenditure deadline to prevent reversion of funds and maximize their continued use for active homelessness interventions.

As a result of these coordinated efforts, confirmed prior-year HHAP savings were incorporated into the February 10 CAO report and are pending Committee approval for reprogramming to support ongoing City homelessness priorities.

CONCLUSION

LAHSA remains committed to transparent fiscal stewardship of HHAP and City-administered homelessness funds. The confirmed savings outlined in this report reflect finalized prior fiscal year unobligated balances, identified only after post-fiscal year reconciliation and coordination with City partners.

The underspend summarized herein were included in the February 2026 CAO Third Homelessness Funding Report to prevent reversion of State HHAP funds and to support continued investment in the City's homelessness response efforts. Through monthly reporting, reimbursement tracking, structured reconciliation processes and close collaboration with City departments, LAHSA works to ensure that expenditures are accurately recorded, statutory deadlines are met, and any confirmed savings are responsibly incorporated into City reprogramming actions on an ongoing basis.