HOUSING AND HOMELESSNESS COMMITTEE REPORT relative to a 10 to 15 percent reduction in homelessness spending to meet the terms of the City's Alliance Settlement Agreement.

Recommendations for Council action:

1. ACKNOWLEDGE cost savings in the amount of $7,859,723 under Category 1 for projects which will demobilize or begin ramp down prior to July 1, 2027.

2. APPROVE the following proposed Homelessness Cost Savings Categories and identify projects within each category for efficiencies:
    a. Category 2: Sites with 50 Beds or Less, Utilizing $116 Bed Rate
    b. Category 3: Sites with City-Funded Leases
    c. Category 4: Inside Safe Program Booking and Occupancy Agreements
    d. Category 5: Safe Parking Sites
    e. Category 6: Street Strategies

3. INSTRUCT the City Administrative Officer (CAO), with the support of the Chief Legislative Analyst (CLA), Los Angeles Housing Department (LAHD), Los Angeles Homeless Services Authority (LAHSA), and other relevant City departments, for projects identified for efficiencies, to report back with data on project outcomes and utilization along with potential alternatives, including coordination with the County for provision of County-appropriate services.

4. INSTRUCT the General Manager, General Services Department (GSD), or designee, in coordination with the Mayor's Office, to renegotiate Inside Safe Program Booking and Occupancy Agreements to reduce the cost of the portfolio by 10 to 15 percent, while ensuring no net loss of beds through June 30, 2027.

5. REQUEST LAHSA, in coordination with the Mayor's Office, to:
    a. Explore increasing capacity at Inside Safe Program sites through double occupancy, where feasible.
    b. Streamline the use of leased rooms by reducing the number used for storage and other administrative services, where feasible.

6. REQUEST LAHSA, when available, to prioritize eligible participants in City-funded interim housing, including the Inside Safe Program, for placement in housing secured through City-funded Time-Limited Subsidy (TLS) programs.

7. AUTHORIZE the CAO to make any technical changes or adjustments to the Homelessness Cost Savings Categories.

8. INSTRUCT the CAO to report to Council with qualitative data on the human impact of any programmatic cuts, in the categories described in Recommendation No. 2 of the CAO report dated February 3, 2026, attached to the file, that the Council may approve to achieve a 10 to 15 percent reduction in homelessness spending.

9. INSTRUCT the CAO and HR&A Advisors to present a plan before the Fiscal Year 2026-27 budget is finalized that effectuates maintaining interim housing capacity and efficacy while achieving cost savings by shifting from the City's most expensive interim housing interventions to less expensive, effective approaches.

Fiscal Impact Statement: The CAO reports that there is no immediate General Fund impact as a result of the recommendations in its report.

Financial Policies Statement: The CAO reports that the approval of the recommendations contained in its report complies with the City's Financial Policies.

Community Impact Statement: None submitted

SUMMARY

At the meeting held on April 15, 2026, the Housing and Homelessness Committee considered a CAO report relative to a 10 to 15 percent reduction in homelessness spending to meet the terms of the City's Alliance Settlement Agreement.

After an opportunity for public comment was held, the Committee approved the recommendations contained in the CAO report as amended and detailed above. This matter is now submitted to the Council for consideration.

Respectfully Submitted,

HOUSING AND HOMELESSNESS COMMITTEE

MEMBER	VOTE
RAMAN:	YES
JURADO:	YES
BLUMENFIELD:	ABSENT
HUTT:	YES
McOSKER:	YES

SG 4.15.26

-NOT OFFICIAL UNTIL COUNCIL ACTS-