

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: November 25, 2025

CAO File No. 0220-05151-0759  
Council File No. 23-1348  
Council District: Citywide

To: The City Council

From: Matthew W. Szabo, City Administrative Officer



Reference: Interim Housing Bed Rates

Subject: **Seasonal Winter Shelter Program Rate Adjustment**

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### SUMMARY

In October 2022, Abt Associates, selected by the Los Angeles Homeless Services Authority (LAHSA), in coordination with the Los Angeles County Chief Executive Office Homeless Initiative (County CEO-HI), began a Cost Analysis of Interim Housing (IH) operations. This effort sought to identify the true operating costs of interim housing in Los Angeles County for projects funded by LAHSA, the County's Department of Health Services, and the County's Department of Mental Health. The analysis was completed in August 2023<sup>1</sup>. A collaborative working group of representatives from the City, County, LAHSA, and Abt Associates was formed to discuss and develop the IH bed rate formula to ensure transparency in funding. The IH bed rate formula for single adults was approved on December 3, 2024, the formula for families was approved on April 23, 2025, and the formula for transitional aged youth (TAY) was approved June 20, 2025. These rates went into effect on July 1, 2025.

The Los Angeles Homeless Services Authority's (LAHSA) memo, dated October 28, 2025, (Attachment 1) requests an adjustment to the Seasonal Winter Shelter Program (SWSP) bed rate effective November 1, 2025. This report summarizes the LAHSA memo and recommends approval of the bed rates for the SWSP to be implemented for the Fiscal Year (FY) 2026-27 season so that fiscal and programmatic impacts may be assessed through the annual budget process.

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<sup>1</sup>Abt Associates, "LA Interim Housing Cost Study Final Report with Executive Summary," <https://www.lahsa.org/documents?id=7730-la-interim-housing-cost-study-final-report-with-executive-summary>

## **RECOMMENDATION**

That the City Council:

1. APPROVE the Los Angeles Homeless Services Authority's proposed Seasonal Winter Shelter Program bed rates adjustment to \$89 per bed per night effective Fiscal Year 2026-27 for the service period from November 1, 2026, through March 31, 2027;
  - a. The nightly rate should be inclusive of leasing costs and apply to all site sizes.

## **BACKGROUND**

The Los Angeles Homeless Services Authority (LAHSA) oversees the implementation of the Seasonal Winter Shelter Program (SWSP), which operates from November 1 through March 31 of each fiscal year. The program operates site-based shelters continuously throughout the season. Beds can be located at existing year-round interim housing sites or at sites only utilized for the winter season. Per LAHSA, the SWSP operates similar to year-round interim housing sites, by providing a place to sleep, meals, supportive services, access to hygiene services, and crisis management.

Interim Housing (IH) is an intervention within the homeless service system that provides short-term, emergency shelter for people experiencing homelessness (PEH). Homeless service providers had expressed concerns that the IH cost reimbursement rates (i.e. bed rates) have been a challenge in recent years as the rates do not address the true IH operating costs. In response to this feedback, the Los Angeles Homeless Services Authority (LAHSA), along with support from the County of Los Angeles, previously procured a consultant, Abt Associates, to conduct a cost study on the IH portfolio across Los Angeles County.

During this study, 125 IH sites serving diverse populations in different Service Planning Areas (SPAs) across Los Angeles County were identified to participate in a survey to provide detailed information about IH operations and costs that encompassed different expense categories. Costs may include case management, meals, housing navigation, connections to mainstream benefits, referrals to outside services as well as actual site/shelter costs. Sixteen of these providers, representing a diverse set of IH sites, were further selected to be interviewed to further review costs associated with IH. The largest cost associated with providing IH services was reported to be staffing and Abt Associates noted that staffing costs were most likely underreported due to hiring challenges and constant turnover.

As a result of the IH Cost Analysis, Abt Associates made the following recommendations:

- Immediate increase in bed-night rates across the portfolio of IH in Los Angeles County

- Work towards a more defensible and empirically-driven bed rate formula
- Apply an inflation factor for yearly increases to reimbursement rates
- To move toward a more equitable homeless service system, there needs to be a transparent funding formula that creates IH bed rates
- Due to the nature of IH, facilities experience increased wear and tear and other unexpected costs, which public funders need to keep in consideration
- Public funders are encouraged to continue to research and understand staffing issues, including living wages, pay inequities, health and wellness benefits, and burnout and staff retention

An initial mid-year adjustment went into effect January 1, 2024, until a finalized interim housing bed rate formula could be presented for Council/Mayor consideration. On December 4, 2024, the City Council approved the below interim housing rates that went into effect on July 1, 2025. In a response to service providers’ feedback regarding the continued financial challenges regarding the original rates that went into effect on January 1, 2024, the CAO was instructed to report back with an interim rate that would go into effect prior to July 1, 2025. This led to the approval of an \$80 interim housing bed rate effective beginning January 1, 2025 to June 30, 2025. These rates are as follows:

Table 1: Approved Single Adult Interim Housing Bed Rates

Effective Date	Site Size	Bed Rate <sup>1</sup>
January 1, 2025	All Adult Interim Housing Sites <sup>2</sup>	\$80
July 1, 2025	Sites with 50 beds or less	\$116
July 1, 2025	Sites with 51 beds or more	\$89

<sup>1</sup> These rates do not include leasing, as lease funding is addressed separately from the bed rates.

<sup>2</sup> This rate is applicable for all adult interim housing sites with a bed rate lower than \$80 as of January 1, 2025. Other adult interim housing sites with higher bed rates are not affected.

On April 29, 2025, Council approved the CAO report dated April 2, 2025, which recommended an interim housing rate adjustment for family sites (C.F. 23-1348). Table 2, below, provides a breakdown of the approved unit rate for interim housing sites that serve families.

Table 2: Approved Family Interim Housing Unit Rates

Effective Date	Site Size	Unit Rate
January 1, 2024	All Family Interim Housing Sites	\$99
July 1, 2025	Sites with 14 units or less	\$169
July 1, 2025	Sites with 15 units or more	\$135

On June 20, 2025, Council approved the CAO report dated May 23, 2025, which recommended an interim housing rate adjustment for transitional aged youth (TAY) sites, effective July 1, 2025 (C.F. 23-1348-S1). Table 3, below, provides a breakdown of the approved unit rate for interim housing sites that serve TAY.

Table 3: Approved TAY Interim Housing Bed Rates

Effective Date	Site Size	Bed Rate
January 1, 2024	All TAY Interim Housing Sites	Varies - \$60 to \$77
July 1, 2025	Sites with 50 beds or less	\$116
July 1, 2025	Sites with 51 beds or more	\$89

This report discusses LAHSA's request to adjust the bed rate for the SWSP to be in alignment with the single adult interim housing rate.

## DISCUSSION

On October 28, 2025, the Los Angeles Homeless Services Authority (LAHSA) provided the Office of the City Administrative Officer (CAO) with a memo (Attachment 1) recommending a rate adjustment effective in Fiscal Year 2025-26 for the Seasonal Winter Shelter Program (SWSP).

LAHSA recommends, at minimum, that the bed rate increase from \$60 to \$89 for the SWSP, which is consistent with the current individual adult interim housing year-round rate for sites with 51 beds or more. This recommendation is based on LAHSA's determination that the SWSP provides a comparable service level, uses similar site types, and shares key performance indicators (KPIs) with adult year-round interim housing sites. The difference in KPIs between is accounting for the SWSP's shorter five-month operating season.

As a result of the approved adjustments to interim housing rates, LAHSA updated the scope of required services (SRS) for multiple programs to further specify requirements and increase expectations related to outcomes. Attachment 2 provides a comparison of the KPIs for the Seasonal Winter Shelter Program SRS and Individual Adult Interim Housing SRS.

According to LAHSA, the SWSP rate adjustment will enable providers to fulfill the requirements in the SRS and meet the established KPIs. Furthermore, LAHSA recommends that additional consideration be given to further align SWSP with the adult IH rates, which would include funding leasing costs separately and implementation of varying rates based on site size. However, no additional funding was requested in LAHSA's memo.

The SWSP is one of two components of LAHSA’s Winter Shelter Program (WSP), the second component is the Augmented Winter Shelter Program (AWSP). The AWSP, which is also referred to as the Emergency Response Program (ERP), is activated on a short-term basis during severe weather conditions for three to five days, depending on the length of need, and utilizes pop-up congregate shelters and hotel/motel vouchers. At this time, LAHSA has not requested an adjustment to the rates relative to the AWSP.

**Estimated Winter Shelter Program Resources**

In FY 2025-26, LAHSA received \$2.8 million in City funding to support the WSP, Table 4 below provides a breakdown of the City’s funding, by funding source.

Table 4: FY 2025-26 City WSP Funding

Funding Source	Budget
General Fund	\$1,560,735
Emergency Solutions Grant	\$1,254,000
<b>Total</b>	<b>\$2,814,735</b>

As of this report, LAHSA is not requesting additional funding for the adjustment to an \$89 rate for FY 2025-26. Table 5 provides a breakdown of LAHSA’s proposed Winter Shelter Program budget, including SWSP and AWSP allocations.

Table 5: Fiscal Year 2025-26 Winter Shelter Program Breakdown

Budget at \$60 Rate					Budget at \$89 Rate				Difference
Type	Bed Rate	No. Beds or Vouchers	Nights	Total	Bed Rate	No. Beds or Vouchers	Nights	Total	
AWSP Beds <sup>1</sup>	\$75	TBD	TBD	\$393,950	\$75	TBD	TBD	\$391,281	-\$2,669
AWSP Vouchers	\$125	159	51	\$1,013,625	\$125	66	51	\$420,750	-\$592,875
SWSP Beds	\$60	136	151	\$1,232,160	\$89	136	151	\$1,827,704	\$595,544
211 Services	N/A	N/A	N/A	\$175,000	N/A	N/A	N/A	\$175,000	\$0
<b>Total</b>				<b>\$2,814,735</b>	<b>Total</b>			<b>\$2,814,735</b>	<b>-</b>

<sup>1</sup> Per LAHSA, the number of AWSP beds are dependent each year on the need to activate, the number of times the program is activated, and the direction by the City. The total funding available is the amount set aside for potential activations.

If the current SWSP rate is maintained, approximately \$595,544 in funding would be available for allocation towards hotel/motel vouchers or pop-up shelters. LAHSA

estimates this amount can support 93 vouchers for 51 days of activation. Conversely, increasing the SWSP rate to \$89 would consequently result in a reduction of 93 available AWSP vouchers.

### **Recommendation**

An increase to the SWSP rate is not recommended at this time as this should be considered through the annual budget process per financial policies. In addition, the Council and Mayor approved Recommendation 5 in the FY 2025-26 First Financial Status Report (FSR) that instructs General Managers to refrain from requesting interim budget appropriations (C.F. 25-0600-S126). Although this rate adjustment does not immediately result in an increased appropriation to LAHSA, it does reduce budgeted services that were adopted for this fiscal year.

This report recommends adopting the \$89 SWSP rate to be effective FY 2026-27 for the service period from November 1, 2026, through March 31, 2027, so that funding may be considered during the annual budget process. It is also recommended that the rate adjustment is inclusive of leasing costs and all site sizes.

### **FISCAL IMPACT STATEMENT**

Approval of the recommendations in this report will not have an immediate impact on the General Fund as funding recommendations will be provided through the annual budget process. However, should the proposed increases be adopted this fiscal year, there would be a decrease in services.

### **FINANCIAL POLICIES STATEMENT**

Approval of the recommendations contained in this report complies with the City's Financial Policies as there is no General Fund associated with the action at this time.

#### **Attachments**

1. LAHSA Memo - FY 2025-26 Seasonal Winter Shelter Program Bed Rate Adjustment
2. Key Performance Indicators Comparison



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## MEMO

**To:** City of Los Angeles Chief Administrative Office  
**From:** Kelsey Madigan, Director of Interim Housing; Nathaniel Vergow, Deputy Chief Programs Officer  
**Date:** October 28, 2025  
**CC:** Abigail Proff, Director of Funding and Allocations  
**Re:** FY 2025-2026 Seasonal Winter Shelter Program Bed Rate Adjustment

### Background

The Los Angeles Homeless Services Authority (LAHSA), in coordination with City and County, has overseen the implementation of the Seasonal Winter Shelter Program (SWSP) since 1993. The WSP is a short-term response option for individuals experiencing homelessness that provides safe and supportive short-term shelter during the winter months. The WSP operates from November 1 – March 31 of each year and has two components:

1. Seasonal Winter Shelter Program (SWSP) - operates site-based shelters continuously throughout the season
2. Augmented Winter Shelter Program (ASWP) - activated during severe weather and utilizes pop-up congregate shelters and motel/hotel vouchers to mobilize resources quickly and bring people indoors. This program is also referred to as the Emergency Response Program.

SWSP beds can be located at existing interim housing sites or at sites only utilized for the winter season. Individuals in the SWSP receive a place to sleep, meals, supportive services (case management), access to bathrooms and showers, and crisis management, similarly to any year-round interim housing site. AWSP beds are typically mobilized at Recreation and Park (RAP) facilities, hotel/motels, and other short-term facilities for 3-5 days, depending on the length of the severe weather.

LAHSA contracted with Abt Associates (Abt) to conduct an interim housing cost study and collaborated with County and City partners to develop a more consistent rate formula that better reflects the actual cost of operating interim housing sites. Interim Housing rates recommended by this study were fully implemented in FY 25-26. Additionally, LAHSA updated all interim housing scopes of required services which increased and specified expectations around connections to permanent housing, case management frequency, document readiness, engagement with the inventory and matching modules, participant to staff ratios, and elimination of restrictions on pets entering interim housing sites.

The following are the Key Performance Indicators (KPI) the SWSP Contractor must achieve:

1. Sufficient Data Quality Score
2. 50% of all enrolled participants must be assessed within 120 days of enrollment. Assessments should only be completed after sufficient rapport has been built with the participant and in alignment with the CES Assessment Policy & Guidance.



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## MEMO

3. 20% of enrolled participants must have their ID within 45 days of enrollment
4. 75% of participants must have verification of their social security number, within 45 days of enrollment.
5. 20% of participants must obtain their social security card within 90 days of enrollment
6. 30% of participants must exit to temporary or permanent housing destination
7. 95% of participants invited to apply to Permanent Supportive Housing opportunities while enrolled in this program will complete the PSH housing application within 7 days of match notification or will decline within 2 days of match notification

Restructured rates for individual adult interim housing implemented FY 25-26 are listed below:

### Individual Adult Interim Housing

Site Size	Bed Rate
Small Sites (1-50 total beds at site)	\$116
M/L/XL (51 + total beds at site)	\$89

### Recommendation

LAHSA recommends that at the minimum, the Seasonal Winter Shelter Program utilize the \$89 interim housing bed rate for SWSP beds and be brought into alignment with the adult year-round rate. In addition, including leasing costs and differing rates depending on site size would further bring the SWSP rate in alignment with the adult year-round rate and should also be considered. The SWSP utilizes unfunded beds at existing year-round interim housing sites as well as beds at sites utilized specifically for winter shelter. The utilization of unfunded beds at existing interim housing sites can establish economies of scale, allowing providers to leverage existing year-round interim housing infrastructure to facilitate placement of participants to other housing options.

Aligning the Seasonal Winter Shelter Program bed rate with the adult year-round interim housing bed rate is reasonable given both programs provide the same services, are located in the same types of sites, and the Key Performance Indicators are similar, with only slight differences that account for the SWSP only being operational for five (5) months. At a minimum, the \$89 rate will allow SWSP providers to meet the staffing requirements, case management, document readiness, inventory module, and supportive service expectations outlined in the updated scope of required services. Additionally, the updated rate will facilitate the provider's ability to meet the key performance indicators as updated in SWSP's FY 25-26 SRS related to document readiness and assessment timelines, connection to permanent housing and completion of Universal Housing Applications.

In addition, adjusting the SWSP rate to \$89 would maintain alignment with the Abt study's bed rate recommendations, and maintain system alignment with the county's implemented SWSP \$89 bed rate.



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**MEMO**

**Fiscal Impact**

SWSP allocations in FY25-26 were projected with the assumption of the city utilizing an \$89 SWSP bed rate. Additional funding is not needed to meet this recommendation.

Please reach out to Kelsey Madigan, Director of Interim Housing [KMadigan@lahsa.org](mailto:KMadigan@lahsa.org), with any questions.

Seasonal Winter Shelter Program KPIs	Individual Adult Interim Housing KPIs
Sufficient Data Quality Score	Sufficient Data Quality Score
50% of all enrolled participants must be assessed within 120 days of enrollment. Assessments should only be completed after sufficient rapport has been built with the participant and in alignment with the CES Assessment Policy & Guidance.	50% of all enrolled participants must be assessed within 45 days of enrollment. 95% of all enrolled participants must be assessed within 120 days of enrollment. Assessments should only be completed after sufficient rapport has been built with the participant and in alignment with the CES Assessment Policy & Guidance.
20% of enrolled participants must have their ID within 45 days of enrollment	85% of enrolled participants must have their ID within 45 days of enrollment
75% of participants must have verification of their social security number, within 45 days of enrollment	75% of enrolled participants must have verification of their social security number within 45 days of enrollment
20% of participants must obtain their social security card within 90 days of enrollment	85% of enrolled participants must obtain their social security card within 90 days of enrollment
30% of participants must exit to temporary or permanent housing destinations	25% of participants must exit to permanent housing destinations
95% of participants invited to apply to Permanent Supportive Housing opportunities while enrolled in in this program will complete the PSH housing application within 7 days of match notification or will decline within 2 days of match notification	95% of participants invited to apply to Permanent Supportive Housing opportunities while enrolled in in this program will complete the PSH housing application within 7 days of match notification or will decline within 2 days of match notification.
-	85% of enrolled participants must have a Housing Navigation Referral Assessment completed within 7 days of obtaining their ID
-	No more than 30% of participants will be exited to unknown, unsheltered or “not meant for human habitation” destinations.