

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: April 22, 2025

TO: Honorable Members of the City Council

FROM: Sharon M. Tso *SMTso*
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Council File No. 24-0330, 25-0207
Assignment No. 24-04-0296

SUBJECT: Formation of a City Homelessness Governance Structure

SUMMARY

Motion (Rodriguez–Padilla, CF 24-0330) instructs the Chief Legislative Analyst (CLA) to investigate creation of a City Department responsible for the development and management of the City’s homeless programs. Council amended this Motion to include consideration of alternative Governance Structures in addition to formation of a City department. Subsequent to this Council action, the Los Angeles County Board of Supervisors on April 1, 2025, approved an action to form a County department of homelessness and to withdraw significant funding from the Los Angeles Homeless Services Authority (LAHSA), action that could influence the City’s options for offering and managing homelessness programs.

This report provides a survey of City department programs that directly provide homelessness programs and services, and identifies critical components of a consolidated and coordinated City homelessness program and options to develop an organizational structure that consolidates existing programs. The City currently has 23 positions dedicated to homelessness programs, as well as 337 positions assigned to Comprehensive Cleaning and Rapid Engagement (CARE and CARE+) operations. There are other City staff who are partially or tangentially working on homelessness issues and services, as well as many staff who interact with people experiencing homelessness (PEH) regularly. Most of the City’s programs, however, are contracted through the LAHSA, who then subcontracts with service providers for a range of programs, supports, and services.

This report identifies several options for the implementation of a different Governance Structure for homelessness coordination in the City. The Council and Mayor will need to identify a structure that would serve the City’s needs, and then determine the breadth and depth of services that should be provided within that structure. Council direction is required on the preferred structure to allow staff to further refine and develop a staffing and organizational plan for the Governance Structure.

This report notes that formation of a new Governance Structure can be implemented in a manner that results in the automatic dissolution of that structure, as well as implementing a plan for performance review. For example, a new department could be formed with a sunset date subject to performance evaluation and a process to determine whether or not to extend or reassign the work program.

Finally, this report briefly notes that the County of Los Angeles has taken action to form a County homelessness department, which includes the withdrawal of significant funding from LAHSA. This report identifies five options for the City to consider, ranging from the full transfer of all homelessness programs to the County to the City forming its own Continuum of Care and taking direct responsibility for a wider range of services for PEH.

Significant changes are occurring across the Los Angeles Homelessness Response System (HRS). The Council's actions regarding the organization of an internal City entity to manage homelessness responses interacts with changes being made to LAHSA and the County. Further, specific program reforms, such as the structure of outreach teams or housing navigation scope, are additionally impacted by changes to the broader organizational structure of the HRS. These dynamic conditions require focused attention and action by the City, which may result in shifts in the City's response to these conditions as they develop.

RECOMMENDATIONS

That the City Council:

1. Select a Governance Structure for the management of homelessness programs within the City, including identification of programs, services, staffing, time horizon, and other components of the selected City model;
2. Instruct the Chief Legislative Analyst (CLA), with the assistance of the City Administrative Officer (CAO), City Attorney, the Los Angeles Housing Department (LAHD), and other departments as necessary, to report in 60 days with a plan to implement the selected Governance Structure;
3. Instruct the CAO and Department of Personnel to report in 60 days on all matters related to position authority and salaries necessary to implement the selected Governance Structure;
4. Instruct the CAO to identify a source of funds to fully implement the new Governance Structure, including opportunities that may be supported by State grants, Measure A, and philanthropy; and
5. Instruct the CLA and CAO to evaluate specified options and other issues in response to the County of Los Angeles action to withdraw funding from the Los Angeles Homeless Services Authority.

BACKGROUND

On May 1, 2024, Council approved actions, initiated by Motion (Rodriguez–Padilla, CF 24-0330), instructing the Chief Legislative Analyst (CLA) to investigate creation of a City Department responsible for the development and management of the City's homeless programs. The original Motion was amended to include consideration of additional means to consolidate and coordinate the essential functions of homelessness programs supported by the City.

This instruction is similar to consideration underway at the County of Los Angeles to create a County Department of Homelessness. The concept for the County was originally introduced by the Blue Ribbon Commission on Homelessness and reinforced by a November 26, 2024 Motion (Horvath-Barger) to both advance formation of a County homeless department and to assume a portion of LAHSA's work program and staff. On April 1, 2025, the County Board of Supervisors voted on a motion to implement the plan to create a new County Department on homelessness based on the recommendation from the Blue Ribbon Commission on Homelessness. The motion passed with four "Yes" votes. The County's plan is to consolidate their Homelessness Initiative staff and programming with the Department of Health Service's Housing for Health programming and staff by July 1, 2025. The County will gradually transfer Los Angeles Homeless Services Authority (LAHSA) staff and funding to the new County department, by July 1, 2026.

This report provides a survey of City department programs that directly and indirectly relate to homelessness programs and services, and identifies critical components of a consolidated and coordinated City homelessness program and options to develop such an organizational structure. Several Governance Models are then described, including pros and cons of each.

The report concludes with a decision matrix to support further action.

DISCUSSION

An outline for this discussion is as follows:

- A. A short, general description of the Homelessness Response System (HRS) (p. 4)
- B. A description of the City's current homelessness programs (p. 8)
- C. A survey of potential entity work program and components (p. 14)
- D. Options for a Governance Structure (p. 22)
- E. A brief consideration of the County's actions related to LAHSA funding (p. 33)
- F. Consideration of a time horizon for the City's chosen Governance Structure (p. 36)

This report begins with an overview of the HRS components and partners who work with the City in implementing the system. This is then followed by consideration of the City's current homelessness programs and the results of a survey of City departments concerning their work with PEH, as well as a review of various City documents such as the City budget, to identify additional details concerning the City's involvement with the HRS. This is then followed by a summary of the elements that could be incorporated into a City department or other consolidated and coordinated City governance model for homelessness programs.

Potential governance structures for the coordination and consolidation of City homelessness programs are provided for consideration, as well as a short review of options for City organization in response to the County's actions related to withdrawing funding from LAHSA. Finally, the time horizon for organizational structures is discussed.

A. HOMELESSNESS RESPONSE SYSTEM

The HRS is composed of four key components:

- Prevention
- Housing Creation
- Rehousing
- Street Management (aka Street Strategy)

Different governmental entities are responsible for the work conducted within each of these key components. Figure 1 provides a short description of each HRS component, the system entities responsible for the work program, and the City departments currently engaged in supporting this component of the system. It should be noted that private sector parties are largely responsible for the direct engagement with PEH to provide support and service activities and programs.

**Figure 1
Elements of the Homelessness Response System**

Service	Elements of Service	Responsible Entity for Implementation		City Department
		Governmental	Other Entity	
Prevention	preserving affordable housing, addressing income insecurity and housing stability, mainstream safety net, and anti-poverty efforts	Cities, County, State	Private Sector	CIFD, Aging, Disability, LAHD
Housing Creation	building housing for all income levels and investing in Permanent Supportive Housing (PSH) creation	Cities, County, State, federal, HACLA	Private Sector	LAHD
Rehousing	the system that focuses on providing life sustaining assistance to stabilize their living conditions, and placing PEH into temporary and permanent housing	LAHSA, HACLA	LAHSA, Private Sector	Mayor, CAO, BOE, GSD
Street Management (aka Street Strategy)	street level efforts to provide services to our neighbors who are living on the outside through outreach and hygiene services; and to ensure public health and safety	Cities, County, State	LAHSA, Private Sector	Mayor, CAO, LASAN

BOE: Bureau of Engineering
 CIFD: Community Investment for Families Department
 GSD: General Services Department
 HACLA: Housing Authority of the City of Los Angeles
 LAHD: Los Angeles Housing Department
 LAHSA: Los Angeles Homeless Services Authority
 LASAN: Bureau of Sanitation

Within this framework, people assisted by Prevention programs are housed, but are experiencing financial or personal crises that render their housing situation unstable. Assistance is focused on stabilizing a household with their pressing needs, such as housing resources, income assistance, or other efforts that can support a household in a manner that allows them to remain housed. There are housing-focused programs, such as rental assistance, right to counsel, and eviction prevention, which are designed to help stabilize people who are housed to stay within their existing residence. The City manages these programs through LAHD, but they are considered Prevention programs.

Housing Creation focuses on developing new housing resources for both housed and unhoused people. This primarily concerns the full range of actions related to construction, such as securing property, selecting a developer, arranging financing, constructing, and operating housing. Unlike the other components of the HRS, Housing Creation does not involve direct engagement with PEH or the Service Providers who support them. This sector principally engages with housing developers and funders, while rent programs seek to stabilize households who are housed.

The Rehousing and Street Management components of the HRS are specifically focused on PEH. The types of services and programs and the governmental agencies involved in each of these components of the HRS are substantively different from those engaged in Prevention support and services.

Consideration of a governance structure should take these differences into account, as compatibility of work efforts can either support or disrupt program delivery. In selecting a governance model that creates a focus on providing support to PEH, it is important to determine which of these components of the HRS should be co-located and whether the option selected provides the desired focus on PEH without compromising the mission and purpose of the other elements of the HRS as a whole or other critical City functions.

It is important to acknowledge that PEH who have been placed into permanent housing are no longer technically considered homeless, but still require support to ensure that they stabilize in their housing arrangement. Services such as Intensive Case Management Services or case worker support for households in Time Limited Subsidy programs have been implemented to ensure people remain housed. Though they are associated with Housing programs, they are provided within the context of Rehousing.

Partners in the HRS

The HRS in Los Angeles is particularly complicated, relying on an extensive network of governmental and non-governmental partners to support and deliver programs, services, and other resources to help PEH. The following is a non-exhaustive list of partners directly and indirectly involved in the Los Angeles HRS related to Rehousing and Street Management, which provide direct support to PEH. The Prevention and Housing components of the HRS have a similar list of partners, which are not identified here.

- Federal
 - Department of Housing and Urban Development
 - Social Security Administration
- Public Housing Authorities
 - Housing Authority of the City of Los Angeles
 - Los Angeles County Development Authority
- State of California
 - Department of Motor Vehicles
 - California Department of Housing and Community Development
- County of Los Angeles
 - Homeless Initiative
 - Department of Health Services
 - Department of Mental Health
 - Department of Public Health
 - Department of Public Social Services
 - Department of Children and Family Services
 - Executive Committee for Regional Homeless Alignment
- Quasi-Governmental
 - City and County of Los Angeles Continuum of Care (federal requirement)
 - LAHSA (a joint powers authority under State law)
 - Los Angeles County Affordable Housing Solutions Agency
- Private Sector
 - Non-profit service providers
 - Housing Developers
 - Hospital and other health care organizations
 - Educational institutions
 - Philanthropy
 - Faith-Based Organizations

Many of these partners have created coordinating bodies within their sphere of influence as well as cooperating bodies to coordinate across jurisdictions. Any entity that attempts to understand and coordinate across the Los Angeles HRS, then, must participate in or be aware of the work in and among all of these bodies. There is overlap and redundancy in many of these spaces.

Each of these partners has its own authorities to participate in the HRS. Each governmental level has authority over specific elements of the HRS, with some authorities extended to several governmental levels. Health programs, for example, have a cascade of rights and responsibilities from the federal government, to the State, to the County, but none of these authorities are provided to the City. Some partners in the system, such as elected officials at all levels, have the

highest level of governing authority in the system, but only within the context of those authorities provided by laws within their jurisdiction. Elected officials then have enacted policies and laws that allow for the transfer of authority to departmental staff, but each has allocated different levels of authority to staff.

These varying levels of authority result in unequal capacity to act within the system. City and County staff may be working jointly to develop policy and budgetary solutions with regard to Interim Housing, for example, but City staff require approval by elected officials to implement the policy while County staff have authority to implement the policy without oversight approval by an elected official. Such unequal roles require additional effort among parties operating within the HRS to fully implement program elements.

B. CURRENT CITY HOMELESSNESS RESPONSE SYSTEM ISSUES AND ROLES

The City currently provides a range of support services and programs related to homelessness. Many of these support LAHSA in their work program, rather than provide support or services directly to unhoused people. As a result, many of the City's efforts are focused on budgeting, contracting, and policy development. The other significant, direct responsibility of the City lies within the Street Management program area, which is substantially the City's area of responsibility.

The following City departments, offices, agencies, and bureaus have been identified as providing direct services to the HRS.

- LAHD
- CAO
- Mayor
- City Council
- Aging
- Airport
- LASAN
- Bureau of Engineering (BOE)
- City Attorney
- City Clerk
- City Tourism
- Community Investment for Families (CIFD)
- Disability
- General Services Department (GSD)
- Police

Overview

This section provides an overview of the current status of the City's approach to homelessness program coordination and delivery, referenced herein as City Homelessness Governance.

City Homelessness Budget

In Fiscal Year 2024-25, the City approved \$960,768,059, which included funding for LAHSA, City departments, the Unappropriated Balance, and the General City Purposes (GCP) budget. This includes General Funds and the grants that the City receives for its homelessness efforts as well as funding from Proposition HHH and the County. Motion (CF 25-0277, Raman, Yaroslavsky-Soto-Martinez), approved in March 2025, directs the CAO and CLA to begin preparing quarterly reports concerning the City's homelessness budget, which would inform Council of on-going expenditures for the range of the City's efforts to address homelessness, including both General Funds and Special Funds.

LAHSA was provided a budget of \$42.8 million from the City's General Fund in FY 2024-25. The City departments received a total of \$122.5 million which includes programs such as the City's Comprehensive Cleaning and Rapid Engagement Program (CARE) and CARE+, Mobile

Hygiene Centers, Los Angeles Regional Initiative for Social Enterprise (LA RISE), Solid Ground Program, and Older Worker Employment Program.

The City provides a majority of funds for homelessness through its Non-Departmental Appropriations in the GCP account. These funds include monies for Additional Homeless Services which is a one-time allocation of funds for gaps in the City's homelessness efforts. Funding is also provided for the Crisis and Incident Response through Community-led Engagement (CIRCLE) program which is an unarmed crisis response program. Inside Safe, administered by the Mayor's Office, was provided \$72.5 million in funding with an additional \$80 million in the Inside Safe Reserve.

Other funding that is part of the City's Adopted Homeless Budget for FY 2024-25 includes \$80 million in Proposition HHH and \$160 million in Measure United to House LA. Additional funds also come from State grants like Emergency Stabilization Beds grant, Encampment Resolution Grant, Homeless Housing, Assistance and Prevention Program, and Homekey Grant, as well as the federal Emergency Solutions Grant. In addition, the County has provided the City with approximately \$60 million in flexible funding for the past five years under the agreement known as the Roadmap or Freeway agreement.

Program and Policy Diffusion

The City currently does not have a single office or body responsible for the development of homelessness policy, program development, or program monitoring and responsiveness. Efforts in this area are conducted by the CLA, CAO, LAHD, CIFD, the Mayor, and Council Offices. There is no centralized forum for discussion of program and policy development.

A simple example highlights the effect of the problems associated with the City's distributed program and policy implementation. LAHSA has developed dashboards that report data on various programs within their responsibility. Data from these dashboards is displayed using a software product called Tableau. LAHSA has requested that the City identify how many licenses it would need for City staff to access this data. However, there is no single entity at the City who can answer this question for LAHSA. There is no pathway for such requests to be passed from LAHSA to the City and for the City to respond on behalf of all elected officials and departments in the City. This is a simple administrative matter; policy and financial issues are more consequential.

Contracting

Contracting processes typically involve three major phases once it has been determined that a program or service will be funded: Procurement, Negotiation, and Administration. The City employs a range of approaches to each of these phases, as shown in Figure 2.

**Figure 2
Responsible for Contracting Processes**

	LAHSA Services and Programs	Inside Safe	Other
Procurement	Outsourced to LAHSA	Mayor	Multiple departments and elected offices
Negotiations	Multiple departments	Mayor and CAO	Multiple departments
Administration	LAHD	Multiple departments	Multiple departments

The largest contracts the City maintains relate to programs operated by and funding provided to LAHSA. LAHD is currently responsible for managing these contracts, which primarily include the contracts for:

- General Fund (C-145627) programs
 - Annual Point in Time Count
 - Continuum of Care Administration
 - Shelter and Housing Interventions
 - Street Strategies
- Roadmap Agreement (C-144656) programs and projects
 - Leasing and Funding of New Interim Housing Beds
 - New Interim Units (Tiny Home Village)
 - Safe Parking Programs
 - Safe Sleep
 - Project Homekey Rehab
- Homeless Housing, Assistance, and Prevention (C-135650) programs and projects
 - Administration and Operations
 - Outreach (Roadmap, Skid Row, Multi-Disciplinary Teams, others)
 - Interim Housing (A Bridge Home Operations, Roadmap Interim Housing, Tiny Villages, Safe Parking, Safe Sleeping)
 - Time Limited Subsidies (several programs)
 - Street Management (Principally Skid Row hygiene, storage, etc.)
 - Project Roomkey and Project Homekey services
 - Other programs
- Alliance Settlement (C-141840) programs
 - Interim Housing Operations
 - Safe Parking

- Federal Emergency Solutions Grant (C-145617) programs and projects
 - Administration
 - Homeless Management Information System
 - Time Limited Subsidy
 - Homeless Shelter Programs

- Inside Safe-Mayfair (C-145331) program
 - Interim Housing Operations

In addition, the following departments and offices manage contracts related to homelessness services and programs:

- Airports
- City Tourism
- Clerk
- GSD
- Police
- BOE

A survey of City departments identified several issues related to the contracting process for homeless programs and facilities. It is not possible to evaluate or affirm the basis of the decisions and actions underlying the development of these issues, as there are contradictory reports among departments as to how contracts and leases were developed. It has been determined, however, that multiple departments are responsible for contracts and that varying levels of involvement in the negotiations and implementation of these contracts has created confusion both among City departments and the entities that are parties to City contracts, and possibly inconsistencies among the contracts.

Internal Contracting Processes

LAHD and GSD both report that contract development within the City is not coordinated with all of the entities involved in the contracting process. Some contracts are developed by one department with the intent that a different department would be responsible for managing the contract but without including that other department in the negotiation process. As a result, departments are managing contracts that they did not negotiate, with terms that may not be clear, and with management processes that may not be consistent with their departmental procedures or available staffing. Departments that become responsible for such contracts may not be resourced to manage the contracts.

LAHD reports, for example, that several LAHSA contracts and contract amendments are negotiated by the CAO without participation by LAHD staff. This can include funding decisions and resultant contract decisions that are made outside the control of the LAHD. GSD reports that they had no experience with the operations and maintenance of homeless facilities, such as IH, prior to being assigned such contracts and leases.

Further indicative of these complicated contracting processes, LAHSA reports that funding and policy requests may be submitted through the CAO, but that payments are made through the LAHD. Similar complexity exists with payment requests as well. Billing templates are submitted to the LAHD, but the templates are reviewed and approved by several departments. Further, the exact form of the billing templates may not be standardized among the departments. Finally, LAHSA is obligated to provide reports to the CAO, but such reports are not submitted to the LAHD which manages the contracts.

Subcontracting Processes

The City primarily contracts for all programs through LAHSA, with exceptions such as Inside Safe and USC Street Medicine. These contracts then result in subcontracts as City funds are transferred beyond LAHSA to other entities. Those subcontracts are developed outside City review, but may include policy decisions made by LAHSA or other entities. Such policies may or may not be developed with City involvement. As a result, although Council approves the program funding and resultant contract, subordinate agencies may make policy determinations on behalf of the City without consultation or approval by the City.

Contract Negotiation Limitations

Because the City has not traditionally provided direct services to PEH, the City does not have the depth of experience necessary to develop contracts that fully capture the requirements that should be included in homelessness contracts. In practice, since LAHSA has been the City's expert on homelessness, the development of policy and program elements in contracts has largely depended upon LAHSA for input. Without dedicated staff focused on the policies and implementation requirements of homelessness programs, and reliance on outside entities for the development of contract scope, the City's contracts may not deliver the outcomes initially expected by Council. For example, metrics or Key Performance Indicators may be developed that do not actually or accurately measure performance as they had not been developed in alignment with the program, but rather identified after program development was completed.

A significant reform with regard to homelessness programming would be for the City to develop in-house expertise in program and policy development to ensure that contracts for homelessness services fully address the City's program requirements, that City staff are fully informed of best practices in homelessness policy and services, and that staff are familiar with policy and program activities in the Los Angeles region. Such staff would then be positioned to effectively monitor contract performance

Intergovernmental Cooperation

A third area of contractual relationships involves agreements among governmental agencies to cooperate on the delivery or coordination of services. The key example, at the moment, is the Memorandum of Understanding (MOU) between the City and County to cooperate on service provision for PEH, including street management, interim housing, and permanent housing. To that end, the City and County have implemented a mutually agreeable system to coordinate activities related to street management. Further, it is anticipated that the City and County will continue to coordinate referrals of PEH to appropriate levels of care, pursuant to this MOU.

Fiscal Accountability

Due to the distributed nature of the City's contracting process, fiscal accountability is also dispersed among several departments and contracts. Individual contracts and programs are monitored by LAHD, but the system as a whole is difficult to comprehensively evaluate. For example, City contracts with LAHSA to provide Interim Housing operations are contained in at least three different contracts. However, the Scope of Work, general contractual obligations, rates of payment, reporting requirements, and Key Performance Indicators among these contracts may not align. As a result, Interim Housing may be directed according to three different sets of contractual obligations rather than a single, consistent set of provisions. In another example, procedures for invoice approval may be spread across multiple departments. Each department may require different information regarding a single invoice before approving a payment, i.e., there is no consistent documentation agreement among the various City departments involved in approving invoices. This results in delays in invoice approval and payments.

Departmental Survey

Interviews were conducted with several departments currently engaged in efforts to support the City's homelessness programs. The Mayor and each Council Office also have staff dedicated to homelessness, but additional consideration is required to determine how best to incorporate those staff into the Governance Structure.

City Administrative Officer (CAO)

The CAO currently has 17 full time positions assigned specifically to homelessness. This includes an Assistant CAO, Chief Administrative Analyst, Senior Administrative Analyst II, Senior Administrative Analyst I, Senior Administrative Analyst I, two Administrative Analysts, three Management Analysts, Principal Project Coordinator, five Senior Project Coordinator, and an Administrative Intern. The CAO reports that the Senior Project Coordinator position is a limited classification that does not provide significant job growth opportunities. As a result, it can be difficult to fill and retain staff in these positions.

Los Angeles Housing Department

LAHD is currently responsible for managing City contracts with LAHSA, as noted above. The Department has six staff dedicated to supporting this work, but has identified a need for an additional 21 staff to support the existing workload to monitor and manage these contracts.

Community Investment for Families Department

The CIFD operates several programs that seek to stabilize households to prevent them from becoming homeless. These include the Family Source Centers, which are a one-stop shop for social, educational, work, and family support services; Basic Income Guaranteed: Los Angeles Economic Assistance Pilot (BIG:LEAP) program, a guaranteed income pilot program; support for survivors of domestic violence; and Solid Ground, which helps prevent new cases of homelessness for families by stabilizing housing and working with them to build a more financially secure future.

CIFD does not have staff dedicated to homelessness services, as it is focused on Prevention of homelessness.

C. POTENTIAL DEPARTMENTAL WORK PROGRAM COMPONENTS

The following provides a description of the work program and other elements that could be incorporated into a new City Governance Structure established by Council and the Mayor that is focused on the Rehousing and Street Management components of the HRS. If the Council chooses a Governance Structure for the City's management of the HRS that includes Prevention and Housing, as presented in the Options section of this report, additional analysis would be required to incorporate those subject areas into the work program.

Purpose

The primary purpose of a Homelessness Department or a consolidated coordinating entity, would be to ensure efficient and effective City support to PEH. This would be accomplished through streamlined contracting, focused budget monitoring and management, centralized policy and program development, enhancement of specialized and experienced staff, and enhanced, coordinated engagement with the multi-level governance structure impacting the larger HRS.

Policy and Planning

A consolidated governance structure would need to include a single, integrated solution for policy and program development. This would address the City's current distributed approach, which results in uncoordinated and duplicative efforts.

Policy and Program Development

There are currently no staff in the City with extensive expertise dedicated exclusively to supporting homeless policy and program development. Staff in the CAO and CLA have developed knowledge of the wide ranging issues and program elements that comprise the HRS, but the system is expansive. Current staff are not dedicated to the specialized components of the system to ensure that policy and program development is conducted in a comprehensive, detailed manner. Further, the dynamic, changing nature of the HRS and homelessness policy in general, as well as solutions for addressing homelessness, require staffing that is able to dedicate their time and resources to observing the system, participating in forums for policy development, researching models, and evaluating relevant data. Staff should be focused on every level of governance within the system, as well as monitoring the delivery of services within the system to identify needs and opportunities for improvement.

Most importantly, program development requires dedicated staff that are able to engage in the details of the plan including alignment of policy objectives, detailed operational considerations, integration with related program elements, budgeting and funding analysis, and design of meaningful metrics and performance indicators.

External Coordination

There is a wide network of coordinating meetings in the sphere of homelessness, ranging from on-the-ground operations to policy development to governmental entity monitoring and coordination. Attachment A provides a list of some of the meetings that the City participates in, monitors, or could monitor. As the HRS is a multi-level governance structure, these meetings are conducted within and among the City, the County, the other 87 cities in Los Angeles County, the State, the federal government, joint powers authorities such as LAHSA and the various Councils

of Government, and service providers. Significant time is required to monitor these meetings to ensure a full understanding of the HRS and the decisions made in its many sectors. City staff are not currently able to do so. Further, the City is not able to communicate a consistent position, with diffused decision-making and information-sharing provided by 18 elected officials, including the City Attorney and Controller, several departments, and multiple commissioners. A single entity could monitor and participate in all of these meetings and assist in providing a coordinated and consistent City response.

Legislation and Intergovernmental Relations

State and federal legislation are critical factors influencing how HRS programs operate. Staff in a single entity could be focused on developing legislative proposals, evaluating legislation as it develops in the State and federal legislatures, monitoring court decisions related to homelessness, and tracking legislative and program activities in other governmental and quasi-governmental jurisdictions.

Grants and Funding

A policy and planning office could be charged with monitoring the availability of grant funding, and then developing and submitting grant applications. This would ensure that policy expertise and program development experience fully inform the development of grant applications.

Rehousing Programs

The primary area of support provided by LAHSA to the City involves Rehousing programs, those efforts to help PEH obtain shelter and permanent housing. The City contracts with LAHSA to operate several key programs in this service area:

- Interim Housing
- Master Leasing
- Time Limited Subsidy
- Housing Navigation
- Inside Safe

Interim Housing

There are four components of the Interim Housing (IH) program:

- Site consideration and selection (CAO)
- Construction of new IH sites (BOE)
- City-delivered maintenance services and leasing (GSD)
- Operations and Contracting (LAHSA, LAHD)

As is evident, the IH program has highly distributed responsibilities. Consolidation of the IH program would not involve the transfer of responsibilities from BOE and GSD, which have specific responsibilities related to construction and facility maintenance. However, it would likely be beneficial to consolidate the planning (site consideration and selection) and implementation (operations and contracting) components of the IH program into a single department or entity.

Site Consideration and Selection

When a Council Office is interested in establishing an IH site in their District, a Motion is introduced that instructs the CAO to identify and evaluate properties for consideration. BOE and GSD provide support for this effort. Upon completion of the analysis, the CAO reports to Council with recommendations, including identification of funding to implement the project.

Construction of New IH Sites

BOE is responsible for construction of City IH sites. With review by the CAO and LAHSA, BOE designs the site, and oversees all elements of site preparation and construction.

City-delivered Maintenance Services and Leasing

Elements of site maintenance are distributed between the service provider selected to operate the site and GSD. Minor repairs and maintenance are assigned to the service provider, while more significant repairs and construction are performed by GSD. GSD is also responsible for negotiating the lease for sites that are owned by the City and leased to the service provider.

Operations and Contracting

In addition to the development of new IH sites, efforts are required to ensure that IH facilities are operating within contractual requirements and delivering the services and outcomes required by the City. Such oversight should involve coordination with LAHSA and the County to evaluate Key Performance Indicators and make management decisions to ensure system performance. Similar to outreach efforts, monitoring will require the following:

- Compliance with contract requirements
- Maintenance of staffing levels
- Key Performance Indicators

The oversight entity would then address adjustments to operations to improve performance where needed. This responsibility is currently assigned to LAHD, which monitors contracts with LAHSA. However, until recently, the City did not receive data related to performance of individual IH sites.

Master Leasing

LAHSA currently implements a unit acquisition strategy for Master Leasing, which is funded by the County. In the County/LAHSA partnership, the County, as the funder, assumes liabilities and risks for the lease agreements and acts as the financial backstop. As part of strategies to achieve the City's Alliance Settlement goals, Council approved funding for the City to participate in the Master Leasing strategy through LAHSA. In this strategy, the City takes on the liabilities and risks and acts as the financial backstop for any City-funded units.

In the current Master Leasing strategy, LAHSA enters into an agreement with a property owner to lease a building or block of units and then subleases the units to PEH. LAHSA serves in the legal role of the owner as well as the central program administrator which allows them to remove barriers such as criminal background or credit checks to house people quickly.

In the program approved by the Council, the City is responsible for the cost of rent, insurance, security, and an administrative fee for LAHSA. For units counting toward the Alliance Settlement, the County pays for supportive services. Additional costs, including repairs and maintenance related to damages, property management, utilities, furnishing, risk mitigation, rent loss for vacant units, and an eight percent fiscal agent fee, as well as the associated LAHSA administrative fee, will be covered by the Housing and Homelessness Incentive Program (HHIP) funds granted to LAHSA.

A new City entity could monitor program delivery, review Key Performance Indicators and benchmarks, and work with LAHSA and service providers to implement program delivery.

Time-Limited Subsidy

Time-Limited Subsidy (TLS) is a program that provides rental subsidies to house people who are experiencing homelessness for a short time period (typically two years). TLS includes services to help the client stabilize their living situation and rental costs, either until the client can take on the rent themselves or be transitioned to a rental voucher program. TLS is administered by LAHSA with service providers contracted to provide case management to clients.

A new City entity could provide program oversight, such as ensuring that case management is being provided, monitoring entries to the program from various access points such as Housing Navigation, Interim Housing, Access Centers, monitoring exits from the program, and monitoring Key Performance Indicators and benchmarks.

Housing Navigation

LAHSA currently provides limited Housing Navigation services under contract with the City. These services include helping PEH develop a housing search plan, determining housing needs and preferences, assessing a client's available resources, and collecting all documentation required for leasing activities. When ready, the client is assisted in finding a unit, meeting with a landlord and/or property manager, and then reviewing lease documents when approved for a unit. Finally, a client receives support in moving into the unit.

Under existing circumstances, the City entity could be monitoring delivery of Housing Navigation services by LAHSA and evaluating Key Performance Indicators and benchmarks regarding those services. The City entity would engage in any additional program development, monitoring, or other activities associated with Housing Navigation.

Inside Safe

The Mayor's Office established the Inside Safe Initiative with the goal of moving people experiencing unsheltered homelessness indoors and connecting them with services and housing. The Mayor's Office works with different departments during each Inside Safe operation, as needed, including but not limited to LASAN, Transportation, the Police Department, and Animal Services. The Mayor's Office also employs Inside Safe Field Intervention Team (FIT) who engage with the PEH, connect them to services, offer housing, and after an operation, monitor the encampment location for repopulation.

The Inside Safe program maintains multiple contracts with motel/hotels to use rooms as interim housing. The invoice process for motels involves sites submitting invoices to the CAO for review by both service providers and CAO staff which eventually goes to the City Clerk for payment processing. The Mayor's Office and the GSD are the leads for executing agreements and exercising options to extend and the Controller's Office remits payment to the motel owners. Inside Safe contracts with LAHSA who then subcontracts with service providers in conducting assessments, providing services such as case management, housing navigation, street engagement, meal distribution, and resident monitors.

Inside Safe could remain with the Mayor for implementation or it could be consolidated into a single City entity responsible for homelessness. If incorporated into the Governance Structure, various assignments would be coordinated among the City staff, LAHSA, the County, contractors, and service providers involved with the program. Staff would be assigned to monitor and report on program performance, as well as coordinate delivery of program services.

Street Management

This is the component of the HRS that the City has direct responsibility to manage and is the most high profile component of the City's homelessness program. Street Management programs are where City staff have the most direct engagement with PEH. This is also where City funds provide actual services, rather than funding service providers who deliver the services. Finally, the scale of these program areas is driven by the size of the unsheltered community. Consolidation or improved coordination would ensure clarity of roles and responsibilities and the ability to develop and evaluate data, Key Performance Indicators, and benchmarks to support decision making by City leaders.

Unarmed Response

Unarmed response is a component of the City's alternative response framework (C.F. 22-0979-S1), which diverts calls for services traditionally provided by law enforcement, including calls involving PEH. The Mayor's Office of Community Safety manages CIRCLE, an unarmed response program composed of non-emergency crisis response specialists that operates a non-public telephone number dedicated to receiving calls transferred from the City's 911 dispatch. Emergency calls for Police or Fire response regarding PEH are diverted to CIRCLE for incidents including, but not limited to, indecent exposure, loitering or trespassing, noise complaints, overdoses, and conflict resolution and de-escalation. CIRCLE also responds to field-based referrals directly from those departments. Additional CIRCLE program components include active homelessness outreach in locations of high need, as well as the operation of decompression centers, where PEH may rest and receive life-sustaining support. At present, CIRCLE teams deploy in 10 Council Districts, and the provider of these services is Urban Alchemy. Council Offices generally report to work closely with CIRCLE teams in their Districts.

Comprehensive Cleaning and Rapid Engagement (CARE) and CARE+

The CARE and CARE+ teams were established by the City Council to address public health. CARE teams address line of sight health hazards and ADA compliance. CARE teams provide non-posted spot cleanings whereas CARE+ teams provide posted comprehensive clean ups of

homeless encampments. LASAN manages the CARE and CARE+ programs, with a staff of 337 positions.

In addition to City staff for the CARE and CARE+ programs, the City funded 24 CARE+ and five CARE outreach teams at LAHSA in FY 2024-25. Of the five CARE outreach teams, four are A Bridge Home (ABH) teams and one is an LA River Team. Out of the 24 CARE+ teams, four are ABH teams, five are Focus Service Zone teams which include Skid Row, Downtown, Grand Avenue, Hollywood, and Coastal. There are 15 Council District CARE+ teams (one per district). The CARE and CARE+ teams are deployed 2-3 days a week, depending on staff vacancies.

Hygiene Services

The City has a portfolio of hygiene programs that specifically address the needs of PEH and public health. The City has a Mobile Hygiene Unit Center that is managed by the LASAN. It provides mobile showers and bathroom facilities and works in collaboration with CARE+ teams. The City owns the shower and tow trailer facilities that are used in this program. These mobile units are deployed Citywide based on data that indicate high priority encampment locations. This program is funded by the General Fund.

Additionally, there are hygiene programs that have been funded by the various rounds of the HHAP grant funding by the State. These programs include: Shower of Hope, Mobile Laundry Truck, Board of Public Work's Citywide Pit Stop Program, Portable Hygiene Stations, ReFresh Spot Program, Litter Abatement Program, and Sharp Collection Box programs, among others.

Street Medicine

The City's Street Medicine contract with University of Southern California (USC) provides medical services to PEH who are unable to visit brick-and-mortar establishments. The USC Street Medicine program consists of five outreach teams that include physicians, advanced practice providers, nurses, and outreach workers who provide clinical and administrative support to its clients. They assist this population by administering direct, on-site medical care. The Street Medicine teams cover Council Districts 1, 4, 6, 7, 8, 9, 10, 11, 13, 14, and 15. At the current service level, the team's goal is to support at least 6,000 patient visits per year.

Generalist Outreach

The City provides approximately \$50 million in various outreach teams through its General Fund and other special funds and grants. The City funds its outreach teams primarily through contracts with LAHSA for Homeless Engagement Teams (HET). There are other outreach teams funded by the City such as multi-disciplinary teams (MDTs), Inside Safe field interventionists, and City + County + Community (C3) teams. The CLA will release a separate report that provides a comprehensive overview of the current outreach system with recommendations for improvement (C.F. 23-1182).

Previously, the City, within the Office of the Mayor, had a coordinating body to oversee all outreach and emergency response activities related to the homeless population. This body, the Unified Homeless Response Center (UHRC), would oversee the day-to-day operations of

CARE/CARE+ teams, coordinate with LAHSA HETs, and work with all Council Districts to manage their street strategies and emergencies, as needed. Under a new City Governance Structure, a body such as UHRC could be beneficial in assuming a coordinating role.

Administrative Services

Administrative services for the HRS are currently distributed across multiple departments, with no formal allocation of roles and responsibilities. Formation of an alternative City governance structure could consolidate, streamline, or clearly assign responsibilities for the following functions.

Accounting, Budget, and Financial Management

As noted above, multiple departments receive funding for homelessness-related programs. The CAO is the only centralized location for monitoring all of this funding, but contract administration and financial management is distributed across many departments. A single Homelessness Department or other centralized coordinating entity could consolidate financial management to ensure integrated management of all funds allocated to homelessness and the contracts.

Grants Management

The City currently receives four HHAP grants from the State, as well as Encampment Resolution Grants. Previously, the City received Homeless Emergency Aid Program and Project Roomkey grants. There is some likelihood that additional funding will be available from State and federal sources in the future. These grants require significant effort to monitor and manage funds and services provided, and to satisfy reporting requirements imposed by the granting entities. Several City entities have been designated by Council to administer homelessness grants. Further, the State has significantly increased criteria associated with intergovernmental coordination with regard to HHAP, as well as expanded reporting on program delivery. Staffing is required to ensure that the City is able to manage these grant funds effectively and in compliance with grant requirements.

Contracting

Contracting services would include procurement, negotiations, and administration. Each of these work efforts would involve interactions with policy and program staff to different degrees.

Personnel Requirements

The need for personnel services depends upon the governance structure selected. A new department would require establishing a personnel support unit. In addition, any increase in staff and new staff functions, regardless of whether assigned to a new department or an existing department, would require addressing personnel services.

Determination of the governance solution will determine the staffing required to support the organization. The Personnel Department will need to be engaged to evaluate the functional transfer of positions, any positions that would need to be created, any new job classifications required to support the work program, analysis of any special skills that require special certifications, determination of whether positions would need to be exempt, and related matters.

Pay rates would also need to be evaluated. Currently, employees in the CAO who work on homelessness receive a five percent pay bonus. Depending on the governance structure selected and specified, and the types of programs and services to be provided, additional pay considerations may be warranted. Further, it can be difficult to retain staff if positions do not have sufficient opportunities for career growth.

Document Management System

Information related to new contracts, amendments, funding adjustments, and changes to scopes of work, are not systematized through a single, central document management system. Many contracts are posted to the City's Council File Management System (CFMS), but this is not a system designed to track and report on contracts in the homelessness portfolio. To meet this challenge, and provide a coordinated governance solution with tools to be successful, Council should consider funding and implementing an electronic document management system (EDMS), similar to the internal system deployed by GSD, to coordinate all homelessness contracts.

A City EDMS for homelessness could accurately reflect important contracting timelines and benchmarks, such as Council approval dates, procurement status (e.g., sole-source or bid, funding allocations, encumbrance/invoicing activity, service start- and end-dates), and substantive amendments affecting scopes of work. The goal of such an EDMS would be to institute a rules-based workflow, whereby administrators can manage, and third parties can verify, contracting and funding related to City homelessness programs. For optimal results, the City's EDMS for homeless services should be aligned with and incorporate data from LAHSA's Electronic Grants Management System (EGMS), currently provided by Salesforce.

Information Technology

The Information Technology Agency advises that consideration of a City department or other centralized coordinating body should include solutions related to information technology, such as infrastructure needs, database requirements, telecommunications, and website design. Depending on the governance solution selected by Council, decisions will need to be made concerning the infrastructure, resources, and systems support required. Some of these resources may be transferred from existing departments, while others may require the allocation of new resources. Additional staff may be needed to provide the necessary support.

D. ORGANIZATIONAL OPTIONS

The following options are available to consolidate and/or coordinate the City's homelessness programs. A review of each is provided, with evaluation in relation to the objectives described above. There are many ways to organize a Governance Structure. These options have been identified to initiate discussion and guide development of a solution that the City could implement.

1. No Change

Under this scenario, the City would not make any substantial changes to the way homelessness programs are managed by the various departments and offices.

Pros:

- No disruption to existing programs and services.
- Resolves questions of City governance by setting aside further discussion of changes to the City's organizational structure for homelessness.
- No additional cost to the General Fund.

Cons:

- Does not enhance the City's collaboration and alignment regarding homelessness issues.
- Does not consolidate contracting, accounting, budget and financial management, or reporting.
- Does not respond to the County's actions to form a County homelessness department that reduces functionality of LAHSA.
- Does not increase transparency.
- Continues current extensive time and resource allocations by a wide range of City Departments and Offices.

2. Departmental Collaboration

An organizational structure could be developed that relies on departmental collaboration, further defining roles and responsibilities, developing reporting and coordinating tools, establishing review and response procedures, and enhancing existing oversight bodies.

Some of these Departmental Collaboration options could serve as transitional entities until a new Governance Structure is established. Further, these options could serve in conjunction with the option to enhance the existing relationship with LAHSA, ensuring a collaborative network of City departments and City-serving agencies to bolster either a transitional solution or an enhanced LAHSA relationship.

a. Enhanced Homeless Strategy Committee (HSC)

The Homeless Strategy Committee (HSC) was established in March 2016 with adoption of the City's Comprehensive Homeless Strategy (CHS). The HSC is composed of representatives from the CAO (who serves as chair of the HSC), CLA, Mayor, and chair of the Council Committee responsible for homelessness matters. The HSC meets monthly and reviews services and programs in the City's homelessness response in relation to implementation of the CHS. Policy discussions, data submissions, and State and local compliance reports are presented first to the HSC.

Under this option, the HSC could be structured in a manner that enhances its program oversight and policy development responsibilities. Efforts would be structured to streamline the development and evaluation of programs to reduce duplication of efforts assigned to multiple offices, and to consolidate contract development and contract oversight to ensure accountability for program delivery and financial oversight. The HSC could also be responsible for reviewing system metrics and following up on performance of the system.

Enhancing HSC would require increasing the number of meetings and likely extending meeting times to address the larger workload. Alternatively, an enhanced HSC could be coupled with a reconstituted UHRC, as noted below, to create one body that is focused on program development and implementation (UHRC) and one body focused on oversight and metric review and evaluation (HSC).

Pros:

- No or limited disruption to existing programs and services.
- Enhances a dedicated and public forum to review performance/key indicators of City programs.
- Uses a pre-existing body to assume responsibility for accountability and evaluation of the system with no or limited need for additional staffing.
- No or limited additional cost to implement.

Cons:

- Does not achieve consolidation under a single executive leader.
- Does not add dedicated staff to address City needs.
- Does not consolidate contracting, accounting, budget and financial management.

- Does not have any executive or legislative authority to make policy changes other than sending recommendations to Council, although certain authorities may be delegated by ordinance.

b. Reconstitute the Unified Homelessness Response Center (UHRC)

The UHRC was created in 2018 to coordinate street management and respond to the needs of unsheltered PEH.

The UHRC could be reconstituted in a manner that would establish functional groups focused on specific aspects of the City's homelessness response, Rehousing and Street Management, as well as an Administrative Services function. Each City entity with HRS responsibilities would assign staff to be involved in the UHRC.

Greater organizational coordination could be accomplished establishing the UHRC as an independent office (Office), with administrative support from another department. A Director for the UHRC with minimal staff to oversee coordination of the UHRC could form the standing core of the Office. Additional assignment or transfer of existing departmental staff at LAHD, the CAO, and other departments that had previously and continue to be funded could be redirected to the UHRC. Consideration should be given to moving positions in the Mayor's Office and the Council District Offices into the UHRC as well. Further, outside agencies such as HACLA and LAHSA could be invited to join.

If organized as an independent Office, the formation ordinance could designate the HSC as an oversight body for the UHRC's work program.

Pros:

- No or limited disruption to existing programs and services.
- Reconstitutes an organizing body that City departments have experience with and uses an existing body to assume responsibility for accountability and evaluation of the system with no or limited need for additional staffing.
- No or limited additional cost to implement.

Cons:

- Does not achieve consolidation under a single executive leader.
- Does not consolidate contracting, accounting, budget and financial management.

c. Bureau of Homelessness

Motion (CF 25-0207, Raman–Blumenfield, Yaroslavsky) instructed the CLA to evaluate the feasibility of forming a Bureau of Homelessness within LAHD, to be supported by staff from the Mayor, CAO, LAHD, LAHSA, and HACLA. The Bureau would be tasked with performance management responsibilities, including review of metrics, Key Performance Indicators, and benchmarks related to all elements of the City’s homelessness response, as well as similar performance measures related to Measure A and other aspects of the larger HRS.

The Motion contemplates a cooperative partnership among key City departments and agencies that serve the City. This Bureau could be located in other City departments as well, but LAHD is the administrator of contracts with LAHSA, so it would be logical to establish the Bureau in a manner that connects closely with the LAHD contracting team.

If Council chooses another Governance Structure, such as Options 3, 4, and 5 below, the Bureau could serve as a transitional entity until the new Governance Structure is established.

Pros:

- A single, City-wide approach to homelessness would be consolidated within one office.
- No or limited disruption to existing programs and services.
- No or limited additional cost to implement.

Cons:

- Participation by outside entities would be at their discretion, the City cannot require participation by LAHSA and HACLA.
- Participation by the Mayor would be at their discretion.
- Participation by other Departments would be at their discretion unless the Mayor transfers positions to the Bureau or directs their participation.
- The cooperative nature of this structure may result in inconsistent participation, so an ordinance may be needed to require participation by other departments.
- A staff person transferred to the Bureau who has job responsibilities outside of homelessness would no longer be conducting these other duties as assigned by the originating department.

3. Consolidation within an Existing Department or Office

Action could be taken to consolidate all homelessness services within a single, existing City department. The most appropriate options are provided below. Such an option would consolidate and align homelessness programs, but could:

- Overwhelm existing services within that department or office by diluting attention on existing programs and services in favor of homelessness matters, or
- Cause homelessness to struggle to gain focus by competing with multiple related and unrelated, significant priorities within the department or office.

If an existing department or office is considered as a primary solution, further analysis of the selected departmental operations should be conducted to identify any organizational or programmatic issues that could affect the delivery of services, either existing departmental services or newly assigned homelessness services. Further, efforts should be made to ensure that each of the organizational components is able to fully function to its required objectives without competition from other organizational demands. This will be a particular challenge for any chief executive officer.

As noted above, a transition entity could be set up in a collaborative manner among several City departments and City-serving agencies until the new departmental division is fully staffed.

The following provides a short summary of positive and concerning outcomes with each department or office that could appropriately incorporate homelessness services and programs.

a. Mayor

The Charter assigns the Office of the Mayor with management authority over most City departments, agencies, and offices. Further, the Mayor represents the City in Intergovernmental Relations, uniquely positioning this Office to work directly with the County. The Mayor's Office currently coordinates with County Departments to effectuate encampment resolutions in association with the Inside Safe program.

Pros:

- A single, City-wide approach to homelessness would be consolidated within one office taking a Citywide approach.

Cons:

- Programs within elected offices are not subject to the same level of oversight as departments, such as programmatic audits by the Controller or policy and program operational reporting

to Council, due to Charter provisions. This could significantly reduce or prevent transparency into program operations.

- Focused Council District- and community-level priorities and efforts may not be addressed in program operations.
- Input into resource allocation decisions would not be available.

b. City Administrative Officer

The CAO is the financial advisor to the Mayor and City Council. The mission of the CAO is to provide advice and recommendations to the Mayor and Council on the fiscal condition, financial status, and future needs of the City and to promote productivity, economy, and efficiency in the conduct of City government so that available resources provide the greatest benefit possible to the residents of the City of Los Angeles.

The CAO assists the Mayor and Council in the preparation of the City budget, plans and directs the administration of the budget, and directs the development of work programs and standards. The CAO represents the management of the City in negotiating all labor contracts. In addition, the CAO provides revenue estimating and long term financial planning, debt issuance and administration, and risk management services Citywide. Since 2016, the CAO has also managed a number of grants and programs related to homelessness.

Pros:

- CAO staff have developed expertise in homeless program operations, financing, and budgeting.
- CAO reports to both the Mayor and the Council.

Cons:

- The CAO is primarily tasked with a broad range of City operations, budgeting, and financial management responsibilities. Managing specific, service-driven programs for focused populations in the City may not be consistent with the primary mandates of the office.
- The complexity of homelessness services could distract departmental resources.

c. Los Angeles Housing Department

LAHD was created in 1993 to consolidate the City's various housing programs into a single purpose-driven department. Rental and housing development programs in the Community Development Department were consolidated with

housing programs operated by the Mayor. The action to form LAHD then became particularly consequential in 1994 when the Northridge Earthquake damaged thousands of housing units across the City. LAHD took responsibility for the City's housing recovery, managing \$360 million in federal funding specifically focused on housing recovery. Subsequently, LAHD was assigned responsibility for a number of other housing-related programs, such as the inspection of multi-family housing quality standards through the Systematic Code Enforcement Program, the Rent Stabilization program, and tenant protection programs.

Pros:

- Helping PEH obtain permanent, stable housing is the desired outcome in the effort to solve homelessness.
- Alignment of Housing Creation and Rehousing programs may be a higher level of coordination that enhances support to people involved in the HRS.
- LAHD already has dedicated staff for the Prop HHH program and has knowledge about homeless housing creation.
- LAHD has traditionally managed the relationship between the City and LAHSA. As such, LAHD holds institutional knowledge of structuring service provision contracts for City PEH.

Cons:

- Housing is a large department with significant funding and staffing, and a set of complicated, unique regulatory requirements that are not related to the human- and health-services focus of homelessness.
- Housing Creation is intended to support a broad range of households, including people who are paying an inordinate, monthly rent for housing. Housing Creation is not solely intended to help people who are unhoused.
- Potential response requirements to the wildfire disaster may create extensive additional service responsibilities with regard to housing, further straining departmental resources required to implement a new Homelessness Services Division.

d. Community Investment for Families Department

CIFD operates the Family Source Center program, which involves the management of contracts with many service providers who provide direct support

to their clients. In addition, CIFD is responsible for programs that support survivors of domestic violence, many of whom are experiencing homelessness.

Pros:

- Prevention programs have been growing within the CIFD program portfolio.
- Alignment of Prevention and Rehousing programs may be a higher level of coordination that enhances support to people involved in the HRS.
- CIFD has a proven track record of success with management of service providers who serve indigent/low-income populations. CIFD has developed a system for contract management and review of performance, relative to the work these organizations perform with City funding. This type of partnership with City contractors in the realm of social services could be built out to manage the City’s relationships with community-based service providers.

Cons:

- A significant portion of the homeless population is comprised of single adults and transition age youth. The needs of these populations differ from families, creating a potential for program complexity and loss of focus on family needs. Placing this responsibility in CIFD would add a new population to support under its programs, which are constrained in available resources.
- The complexity of homelessness services could overwhelm departmental resources.

4. Formation of a New Department

The Motion specifically sought analysis of this option. Under this option, a new City department would be formed with the combination of all homelessness services managed by the City, including Encampment Resolution programs, contract monitoring, IH development, outreach and CARE/CARE+ coordination, policy development, participation in system-wide meetings and hearings, and any other programs or services identified.

As noted above, a transition entity could be set up in a collaborative manner among several City departments and City-serving agencies until the new Department is fully staffed.

Pros:

- Formation of a new department would allow for a focus on the needs of PEH, without the demands required to support programs not related to homelessness.
- A single chief executive officer would provide focus on this population.
- Departmental staff would be positioned to support purpose-driven oversight bodies, such as a City commission on homelessness or a Lived-Experience Commission; and to report to Council on new developments/initiatives, and/or as needed.
- Stronger focus on serving special populations.
- Ability to monitor the various convening bodies (LAHSA Commission, CES Policy Council, Continuum of Care Board, etc.) that oversee aspects of the homelessness response system, and their respective committees, relevant to City programs.
- Better coordination between elected Offices and a Department tasked with a single issue.
- Prepare a single Consolidated Annual Performance and Evaluation Report (a HUD-required Consolidated Plan report) detailing use of City funds, and potential needs assessment, that is responsive to the jurisdictional boundaries of the City of Los Angeles.
- A single department that houses all homelessness programs would have the ability to create, coordinate, and establish systemwide policies and strategies on reducing homelessness.
- A single department would be able to develop, monitor, and evaluate pilot programs.

Cons:

- Additional staff to supplement those being transferred will be required, increasing City costs. At a minimum, a chief executive officer will be needed, as well as assistant managers or chiefs. Depending on the roles identified for the department and the staffing required to fulfill those roles, costs could be significant.

5. Comprehensive Human Services Department

A comprehensive reform would be to consolidate all of the City departments involved directly with human services into a single department. This could include the departments of Aging, Disability, CIFD, Youth Development, and Civil and Human Rights. This

Comprehensive Human Services Department could also include the Health Commission, the Housing Opportunities for Persons with AIDS (HOPWA) program, and other related programs and services. Such a consolidation could achieve staffing efficiencies in administrative, financial management, and contracting services.

A related governance solution would be to create a structure similar to the Board of Public Works, which could ensure both subject area focus and cross-discipline engagement and coordination. Historically, a Bureau of Accounting supported each of the Bureaus under the Department of Public Works. A similar approach could be adopted here, with the potential to consolidate accounting, personnel, contracting, and other financial services into a single administrative services unit.

As noted above, a transition entity could be set up in a collaborative manner among several City departments and City-serving agencies until the new Department is fully staffed.

Pros:

- Each of the positives associated with creating an independent department noted above could apply in this option as well.
- Potential to align and enhance human services programs.
- Potential to reduce barriers to cooperation and collaboration between otherwise independent offices.
- Potential to reduce cost impacts with consolidated administrative services.

Cons:

- Combines Prevention, Rehousing, and Street Management, potentially reducing effectiveness of Prevention.
- May reduce or mis-align focus on each of these significant service areas.

6. Enhanced Reliance on LAHSA

Rather than expanding and consolidating the City's homelessness programs and services, a solution that provides greater reliance on LAHSA with an associated reduction in City staffing and direct program and service delivery could be developed. Such a solution would require enhanced consideration of the City's requirements from LAHSA and greater contract management oversight to ensure delivery of required scope of work.

This option could be combined with Option 2, Departmental Collaboration, to increase oversight of LAHSA and the City's contracting requirements.

Pros:

- Protect City entities from time and resource burdens of day-to-day management of City homelessness programs.
- LAHSA holds institutional knowledge regarding homelessness policy that the City would not be able to duplicate quickly on its own.
- LAHSA maintains institutional relationships across the HRS.

Cons:

- Potential for lack of transparency.
- Limitations to effective analysis of City programs, as City funding is often combined with outside funding sources.
- Difficulty communicating with direct service providers, managing their use of City funding, and understanding their needs.
- This still requires experienced City staff to negotiate and develop contracts and to monitor the HRS.

E. COUNTY ACTION REGARDING LAHSA FUNDING

On November 26, 2024, the County Board of Supervisors considered and adopted a Motion to study a proposal that would create a County homelessness department, withdraw most County funds currently allocated to LAHSA, and assume a portion of the existing LAHSA staff into the newly created County homelessness department. The County Motion intended that LAHSA would remain focused on Continuum of Care responsibilities, such as the annual Point-in-Time Count and the Homeless Management Information System (HMIS). On April 1, 2025, the County Board of Supervisors approved a subsequent motion to implement a plan of establishing a County department on homelessness and for transferring Measure A funding and staff from LAHSA to the County.

Such an action by the County will significantly alter the purpose and function of LAHSA, to the extent that it may no longer be able to provide services that support the City's needs. Economies of scale may be significant enough that neither the County, the City, nor LAHSA can fully sustain current service levels. Evaluation of the County's plan could inform the type of governance solution that would best serve the City's interests. The CLA will monitor and report to Council on potential impacts of the County's actions on the City's relationship with LAHSA and any programmatic and financial impact to City funded programs in response to Motion (C.F. 25-0316, Raman–Blumenfield).

Most significantly, focusing a significant portion of the regional homelessness funding at the County may reduce the availability of resources for the City's homeless population and the ability of LAHSA to fully serve the City's program requirements. If so, then it may be appropriate for the City to further develop and expand its homelessness program independent of LAHSA and the County. Further, it may benefit the City to seek reform to the Continuum of Care (CoC) to ensure that funding resources are focused on the City, that shelter and housing placements serve PEH residing in the City, and that coordinating efforts such as the Coordinated Entry System and HMIS are refined to meet the City's needs. Finally, the City would be able to allocate resources along geographic service areas that are rational to the City's needs, rather than the County's Service Planning Area structure.

For example, the City currently relies on LAHSA to procure service providers to operate City-funded IH and administers contracts with IH service providers on behalf of the City. Administration of contracts may be a staffing area in which LAHSA braids funding sources from multiple funding sources, including County funds. Pursuant to County action to extricate Measure A funding from LAHSA, LAHSA may no longer be able to support contracting efforts because funding is no longer provided. In essence, the economies of scale for IH contract administration may be lost as a result of the County removing and unbraiding funding.

As a result of the County's withdrawal of funds, the City might be obligated to either rely on the County to manage City IH, increase funding for IH administration at LAHSA, or for the City to bring IH management into a City department. The City will need to understand the consequences and alternatives available to ensure that IH operations continue and that a monitoring body is fully staffed and in place to ensure that these facilities effectively serve PEH. Such an analysis

will be required for all of the programs the City currently contracts with LAHSA to provide. This is one example among many of the City's contracted services with LAHSA.

Options for City Response

As noted, a full report will be provided by the CLA and CAO at a later date in response to Motion (CF 25-0316), but the following are some of the options for a City response. Should Council prefer to focus on any of these options, such an instruction should be provided for the CLA and CAO to include in the report associated with CF 25-0316.

1. The City could withdraw from involvement with all Rehousing Programs in favor of the County taking full responsibility for these efforts. The City would cease funding for such programs and focus on those efforts necessary to respond to Street Management issues, such as CARE/CARE+, hygiene resources, and unarmed response services. Such an approach would result in withdrawing most City funding from LAHSA entirely; the County would take full responsibility, including full funding for IH and Outreach. The City would remain involved with LAHSA on matters concerning the Continuum of Care, Point in Time Count, and Homeless Management Information System.
2. The City could participate with the County on a limited number of programs, such as Interim Housing, providing funding to the County for such programs under terms that meet the needs of the City. The City would cease funding for all remaining programs and focus efforts necessary to respond to Street Management issues, such as CARE/CARE+, hygiene resources, and unarmed response services. Such an approach would result in withdrawing most City funding from LAHSA, and relying on the County taking full responsibility for the remainder of programs, including full funding for IH and Outreach. The City would remain involved with LAHSA on matters concerning the Continuum of Care, Point in Time Count, and Homeless Management Information System.
3. The City could continue its current relationship with LAHSA in all its current forms, such as contracting with LAHSA to operate City-funded IH sites. The City would remain in LAHSA and continue funding for programs and services of interest to the City. A renewed and possibly enhanced relationship with LAHSA may be developed.
4. Similar to the County, the City could withdraw all supplemental funding from LAHSA and operate those programs through a City Homelessness Department or other City centralized coordinating body. The City's involvement with LAHSA would consist exclusively of issues associated with the Continuum of Care operation, such as the Point-in-Time Count.
5. The City could withdraw from LAHSA and operate all programs through a City Homelessness Department or other centralized coordinating body. Further, the City could pursue creation of a City-only Continuum of Care, much as the cities of Glendale, Long Beach, and Pasadena currently operate their own Continuum of Care. This would require the City to implement issues associated with the Continuum of Care operation, such as the Point-in-Time Count.

The federal government is undergoing a shift in policy with the new presidential administration. Policy and budget priorities are likely to shift as a result. It may be that such changes could result in federal changes to the role of the Continuum of Care and eliminating the need for LAHSA to coordinate such activities. Formation of a City-only Continuum of Care may be more productive for the City in such a case.

Formation of a City-only Continuum of Care would allow the City to geographically structure its programs in a manner that suits the City's needs. Rather than operate within the County's Service Planning Area (SPA) system, the City could create service areas that more effectively meet the needs of the City's communities and homeless population. Pursuing this option, however, could take several years to obtain federal approval and then transition to a fully independent Continuum of Care.

F. TIME HORIZON

Since the scope of homelessness changes over time, it may not be necessary to create a Governance Structure with the intention of maintaining a permanent, on-going enterprise. Unlike other City services, it may be possible that the scope of homelessness approaches “functional zero,” wherein adequate shelter and housing resources ensure that people have a place inside and are not living on the street.

If desired, a sunset could be placed on the Governance Structure, providing an outside date by which Council and the Mayor would evaluate the effectiveness of and need for a modified or different solution. For example, the City entity could exist for a five-year period, with a required evaluation to be completed and submitted to Council one year prior to the sunset date. Such a feature could be structured to designate the process to conduct the evaluation, timing of the evaluation, and other operational factors.

CONCLUSION

Several options exist should Council seek to establish a different governance structure within the City to manage homelessness programs. The best option for the City, however, may change in relation to the County’s decision regarding Measure A funding and their willingness to continue funding programs through LAHSA. Further, the best option may be reflective of decisions by the Mayor and Council in the context of the 25-26 Proposed Budget. Finally, the extent of the City’s investment in a consolidated homelessness department or coordinating body would be relative to whether this structure is expected to remain in effect indefinitely.

It should be noted that some options in one category may preclude options in another. The selected Governance Structure should be evaluated to ensure compatibility of each of the individual options within the context of the whole. Figure 3 is a decision matrix to support development of a solution for homelessness governance within the City.

The CLA will continue to monitor and evaluate developments concerning the HRS, particularly at the County and LAHSA, and report on changes that affect the City’s options and direction.

Figure 3 Decision Matrix for City Homelessness Governance	
Governance Option	<ol style="list-style-type: none">1. No change 2. Departmental Collaboration<ol style="list-style-type: none">a. HSCb. UHRCc. UHRC with HSCd. Bureau at LAHD 3. Consolidation within an Existing Department or Office<ol style="list-style-type: none">a. Mayorb. CAOc. LAHDd. CIFDe. Other 4. Form a New Department 5. Form a Comprehensive Human Services Department<ol style="list-style-type: none">a. Single, unified departmentb. Public Works/Bureau format 6. Enhanced Reliance on LAHSA

<p>Program Elements for Inclusion</p>	<ol style="list-style-type: none"> 1. Contracting 2. Administrative Services: <ol style="list-style-type: none"> a. Accounting, Budget and Financial Management b. Grants Management c. Personnel d. ITA e. Document management 3. Policy and Planning <ol style="list-style-type: none"> a. Policy and Program Development b. External Coordination c. Legislation and Intergovernmental Relations d. Grants and Funding 4. Program Operations <ol style="list-style-type: none"> a. Street Management <ol style="list-style-type: none"> i. Unarmed Response ii. CARE/CARE+ iii. Hygiene Services iv. Street Medicine v. Generalist Outreach b. Rehousing <ol style="list-style-type: none"> i. Interim Housing <ol style="list-style-type: none"> 1. Site consideration 2. Construction 3. Maintenance 4. Operations ii. Master Leasing iii. Time Limited Subsidy iv. Housing Navigation v. Inside Safe 5. Other
<p>County Consideration</p>	<ol style="list-style-type: none"> 1. Transfer all responsibility to the County 2. Transfer all responsibility to the County and provide funding to County for City priorities 3. LAHSA continues to provide support to City 4. City Entity assigned responsibilities currently assigned to LAHSA, except Continuum of Care 5. City Entity takes all responsibilities, a new City-only Continuum of Care is formed, and City leaves LAHSA

Time Horizon	<ol style="list-style-type: none"> 1. Governance solution is in place for a limited period of time <ol style="list-style-type: none"> a. 3 Years b. 5 Years c. 10 Years 2. Governance solution is in place for an indefinite period of time 3. Independent review of the Governance solution conducted on a regular basis, to be submitted to the Council and Mayor: <ol style="list-style-type: none"> a. Designate the entity to conduct the review b. Designate the cadence for such a review <ol style="list-style-type: none"> i. Every year ii. Every two years iii. Other c. Other factors for inclusion
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Council direction to City staff is required at this time to continue planning and analysis for a consolidated governance solution. Council may want to consider more than one option and may require additional information before making a final determination, such as which governance changes the County adopts regarding homeless program funding.

FISCAL IMPACT STATEMENT

There is no fiscal impact associated with the recommendations in this report.

**ATTACHMENT A
HOMELESSNESS RESPONSE SYSTEM MEETINGS**

The following is a non-exhaustive list of meetings that the City participates in, monitors, or could monitor.

LAHSA

- LAHSA Commission
- LAHSA Commission subcommittees
- Coordinated Entry System Policy Council
- Coordinated Entry System Policy Council ad-hoc subcommittees
- Los Angeles Continuum of Care Board
- Los Angeles Continuum of Care Board subcommittees

City

- Homeless Strategy Committee
- Housing and Homelessness Committee

County

- Executive Committee for Regional Homelessness Alignment
- Leadership Table
- Deputies Homelessness Meeting
- Homeless Data Executive Steering Meeting

State

- California Interagency Council on Homelessness
- California Department of Housing and Community Development

Federal

- United States Interagency Council on Homelessness

Other

- San Fernando Valley Council of Governments
- Westside Cities Council of Governments
- League of California Cities
- United Way
- Los Angeles County Affordable Housing Solutions Agency