

MOTION

HOUSING & HOMELESSNESS

Last week, the Los Angeles County Department of Homeless Services and Housing reported that there is an anticipated \$303 million funding shortfall in Fiscal Year (FY) 2026-2027 to continue all homeless programs funded by Measure A and other sources administered by LA County. If not addressed, this may constitute upward of a 35% reduction in funding for the majority of homeless services provided across the county.

This, however, is not the only potential shortfall facing the region's homeless response system. Currently, the Trump Administration is seeking to reverse a Congressionally-authorized two-year HUD Continuum of Care (CoC) allocation and divert funds from permanent supportive housing (PSH) and Housing First programs. If this moves ahead as currently described, the region is poised to lose upward of \$220 million, of which a majority funds over 8,000 units of PSH.


These crises are in addition to the reduction and delayed disbursement of the state's Homeless Housing, Assistance, and Prevention (HHAP) grant funding, which has become one of the City's most vital funding sources for homeless programs. Taken together, **we may be facing \$600 million or more in reduced homelessness funding for FY 26-27 across the City, HACLA, the County, and LAHSA.**

It is incumbent upon the City to not only understand the extent of the potential reductions, but to work in concert with regional partners to engage state and federal leadership and keep Angelenos currently housed from falling back onto the streets, while ensuring continued compliance with the *LA Alliance* settlement.

WE THEREFORE MOVE that the City Council direct the City Administrative Officer (CAO) and the Los Angeles Housing Department (LAHD), with assistance from the Chief Legislative Analyst (CLA), the Housing Authority of the City of Los Angeles (HACLA), and the Los Angeles Homeless Services Authority (LAHSA), to report back within 30 days on the cost to maintain all current City-funded homeless housing interventions, the extent of potential homeless funding reductions for Fiscal Year 2026-2027 faced by the City and its partners (HACLA, Los Angeles County, LAHSA) across all major funding streams, including but not limited to, Homeless Housing, Assistance, and Prevention grants (HHAP), Emergency Solutions Grants (ESG), Continuum of Care (CoC), Measure A, and the expiration of any one-time or short-term funding, and the potential impacts on housing retention and service provision; and

WE FURTHER MOVE that the City Council direct LAHD, with assistance from the CLA, CAO, LAHSA, and HR&A Advisors, to engage within 30 days the Los Angeles County Department of Homeless Services and Housing on aligning City and County strategies to prevent inflow of Angelenos currently in Permanent Supportive Housing (PSH) or Interim Housing (IH) back to unsheltered homelessness, and avenues to most effectively deploy available funding; and

WE FURTHER MOVE that the City Council direct CAO, with assistance from LAHD, CLA, LAHSA, and HR&A Advisors, to report back in 30 days on ensuring compliance with the *LA Alliance for Civil and Human Rights* settlement obligations in light of the potential funding reductions, while not increasing exits to unsheltered homelessness; and

 **WE FURTHER MOVE** that the City Council request the CLA to engage the Los Angeles County Chief Executive Office (County CEO) within 30 days on a state and federal advocacy plan that seeks to limit potential funding reductions and expedite prompt disbursement of allocated funds.

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ORIGINAL