

MOTION BY SUPERVISORS MARK RIDLEY-THOMAS
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September 1, 2020

Exploring New Governance Models to Improve Accountability and Oversight of Homeless Funds

Following the passage of Measure H in March 2017, and recognizing that Measure H would significantly increase the amount of Los Angeles County (County) funds administered by the Los Angeles Homeless Services Authority (LAHSA), the County’s Auditor-Controller (A-C) proactively initiated a review of LAHSA’s financial transactions, internal controls and compliance, and found that LAHSA’s fiscal operations needed improvement. When notified of these findings in April 2018, the Board of Supervisors (Board) acted immediately [“Strengthening the Accountability of Measure H Funds, Ridley-Thomas – Hahn, April 10, 2018], directing the Chief Executive Officer (CEO), the A-C and County Counsel to take comprehensive steps to evaluate and enhance LAHSA’s performance in relation to its fiscal and contracting operations and data management systems.

In response to the April 2018 Board motion, the CEO and A-C reported back in May 2018 with multiple recommendations to bolster accountability and effectiveness including deploying a “red team” of specialized County staff to embed in LAHSA’s fiscal department for a time-limited period to stabilize and improve operations, and instituting routine and ongoing monitoring of LAHSA’s operations. In addition, the CEO and A-C recommended quarterly reviews of the eight Measure H strategies administered by LAHSA to ensure additional accountability. The A-C has just completed its review of data collection and reporting from Fiscal Year 2018-19 related to the Measure H strategies administered by LAHSA, which has revealed two significant findings.

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While LAHSA has provided a corrective action plan that details the efforts that have since been made to correct the identified concerns, it is critical that the Board continues to mandate nothing less than the utmost accountability and transparency, especially given the need and opportunity to significantly scale up resources across the County to mitigate the pandemics of homelessness and COVID-19. Moreover, it is time to explore new governance models, in earnest, that address longstanding structural deficiencies and help to achieve qualitatively better outcomes for people experiencing homelessness.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

Direct the Chief Executive Officer, in consultation with the Auditor-Controller (A-C) and County Counsel, to report back in writing in 30 days on:

- 1) Actions, reviews and audits undertaken by the A-C in response to the Los Angeles County (County) Board of Supervisors' motion approved on April 10, 2018, and the resulting operational improvements implemented by the Los Angeles Homeless Services Authority (LAHSA) to enhance performance and accountability;
- 2) Any outstanding issues related to LAHSA's fiscal and contracting operations, and/or data collection and management systems, and corrective actions in each of these areas that are underway or pending; and
- 3) Recommendations that include an exploration of alternative governance models or structures to administer and oversee homeless funds, programs, and services on behalf of the County in order to ensure optimal performance, transparency and accountability.

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(DW/KJ/KK)