

MOTION BY SUPERVISORS LINDSEY P. HORVATH
AND KATHRYN BARGER

November 26, 2024

**Feasibility of Implementing the Blue Ribbon Commission on Homelessness Report
Recommendations No. 1 (Establish a County Entity Dedicated to Homeless Service
Delivery) and No. 3 (Streamlined LAHSA)**

On November 5, 2024, Los Angeles County voters passed Measure A, a citizen-led ballot measure to sustain funding for homelessness services, and further invest in homelessness prevention as well as housing solutions. This measure notably called for increased transparency and accountability on the use of public funding, including standardization of service provision; regular, public reporting on expenditures and measurable outcomes; and diversion of investment from entities (i.e. cities, programs, service providers) that do not produce results. Much of the responsibility to develop these accountability measures is assigned to the newly formed Executive Committee on Regional Homeless Alignment (ECRHA).

However, Los Angeles County – in particular, the Los Angeles County Board of Supervisors (Board) – will have a role in implementing these accountability measures. In addition to Measure A, the County currently administers local, state, and federal funds across the region through multiple County departments and the Los Angeles Homeless

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Services Authority (LAHSA) to serve people experiencing homelessness. (Appendix A)

Given the directives of Measure A, and the expectations of the public for our homelessness services and housing systems to deliver, now is the appropriate time for Los Angeles County to make meaningful changes called for by the public to more efficiently and effectively administer public funds and solve the homelessness crisis.

On July 27, 2021, the Board established the Blue Ribbon Commission on Homelessness (BRCH), as part of an ongoing and focused effort to address homelessness. BRCH was also charged to conduct a comprehensive study of the LAHSA governance structure by reviewing existing reports and recommendations, identifying and analyzing the challenges inherent to the existing system, and providing recommendations to change and improve its efficiency. Subsequently, on May 3, 2022, the Board adopted a motion, [Implement the Blue-Ribbon Commission on Homelessness' Recommendations](#) (Barger-Solis), which moved that the Board "...adopt the seven BRCH recommendations" and "instruct the Chief Executive Officer (CEO) to maximize continuity of analysis and implementation of BRCH recommendations..."

Recommendation No. 1, "Establish a County Entity and Identify a Leader," calls on the Board to unify the work of the various County departments, eliminating siloes to "create a more transparent and effective response to homelessness that fully incorporates mainstream systems." A new County department would integrate funding, programs, oversight, and implementation and administration of the complex network of services dedicated to addressing homelessness that are currently assigned to various other County departments. The new department will coordinate with other departments with the goal of centralizing contracting and administration of allowable homelessness funds,

while standardizing service delivery and improving the County's ability to track data and outcomes across all programs, to the extent feasible based on statutory mandates. The goals of such centralization is to leverage critical economies of scale in the implementation of one strategic, coordinated, Board-directed homeless service response system. While some work has been done to implement this recommendation, focus has recently been directed towards implementing the Homelessness Emergency Proclamation. It is time for the County to fully and expeditiously explore implementation of this BRCH recommendation as part of the County's Emergency efforts and establish a County department dedicated to addressing homelessness, the Department of Housing Pathways and Supportive Services.

Additionally, recommendation No. 3, "Streamlined LAHSA," suggests "that LAHSA's role be streamlined to focus on serving as our regional CoC ... lead and transition away from direct services in order to make way for County partners in this space." Streamlining LAHSA means focusing its primary role as lead on the Greater Los Angeles Continuum of Care to include the Homeless Management of Information System administration, the Greater Los Angeles Homeless Count, and other emergency response actions as designated and funded by the Board of Supervisors, with recommendations from the Chief Executive Office-Homeless Initiative. As a result, the County should transition funds from Measure H (and, subsequently, Measure A); Homeless Housing and Prevention; and other County-administered sources from LAHSA to the new County department in support of one centralized, integrated, County-led homeless service response system.

The transition of County funding from LAHSA to a new County department is also warranted, given the findings in the recent Finance, Contracts, Risk Management, and Grants Management Review of LAHSA, performed by the Auditor-Controller (AC Review) and published on November 19, 2024. The AC Review noted sixteen findings and related recommendations, including ten priority-one findings (the most significant). The findings and data indicate a lack of adequate internal controls at LAHSA related to finances, contracts, risk management, and grants management, which is especially concerning as the County will collect increased funding from Measure A. Some of the additional findings include a lack of formal agreements for \$50 million in working capital advances to subrecipients; non-recovery of annual cash advances to subrecipients; lack of timely payments to subrecipients; inadequate contract management and records keeping; numerous retroactive contracts; and non-completion of internal audits. Additionally, LAHSA's ability to correct these significant issues is a concern, as these issues have persisted for years, even after prior reviews by the Auditor-Controller included numerous recommended corrective measures. (It is important to note that these issues pre-date the current LAHSA leadership and have come to light after significant changes in staffing surfaced systemic challenges.)

The passage of Measure A provides an ongoing, stable source of funding for homeless services, prevention, and affordable housing production, ensuring the County can fund a streamlined, effective, and impactful homeless service response system. Not only will a new County department centralize and streamline much of the County's response to homelessness, it will also allow the County to implement adequate internal controls related to the use of County homelessness funds, including the new Measure A

funds. Combined with streamlining LAHSA's role in the regional homeless service system, there will be greater transparency, oversight, and accountability on the expenditure of public funds and the impacts of their measurable results.

WE, THEREFORE, MOVE, that the Board of Supervisors direct the CEO to provide a written feasibility report with next steps in 60 days to implement BRCH Report recommendations 1, establishing a new County Department dedicated solely to serving people who are unhoused or at risk of becoming unhoused, and 3, streamline the responsibilities of LAHSA by having them retain only the core functions required as lead on the Greater Los Angeles Continuum of Care including the Homeless Management of Information System administration, the Greater Los Angeles Homeless Count, and other emergency response services as designated and funded by the Board. The report should include but not be limited to:

- a. Current staffing levels and funding within the CEO Homeless Initiative and Housing for Health, including appropriate clinical functions; current Measure H and projected Measure A revenue; anticipated staffing levels, space needs, and funding considerations.
- b. In collaboration with LAHSA leadership, a preliminary evaluation of LAHSA's staffing levels, vacancies, rates of attrition, memoranda of understanding with labor organizations, and other key information to inform the transition plan described in subsection e of this directive.
- e. A high-level schedule for the creation of the new department and the transition of programs and funding, with a focus on "critical path" milestones to ensure that the

Board and the public are aware of the action items and associated processes that must be completed and by when.

~~d. A summary of County and LAHSA programs and functions that will transition to the new County department, should the Board choose to create the new County Department, including a functional “end-state” organizational chart, to be refined as the process continues, and description of programs that will operate out of the new department. The report should describe any proposed phasing of department operations, funding transfers, department’s projected staffing needs, necessary classifications, and job duties.~~

e. d. Filling positions in the new County department by the Director of Personnel conducting an open recruitment in which consideration is limited to applicants who are currently employed at LAHSA. Including an Open Restricted recruitment that would be a one-time event that could be used exclusively for the initial hiring of staff for the new department, within the powers provided under the County’s proclamation of a local emergency on homelessness. Candidates on the eligible lists resulting from the Open Restricted recruitment would have priority consideration for hiring over all other lists. Thereafter, the CEO could use other eligible lists or conduct new recruitments, if needed, to fill vacancies in the new department.

WE, FURTHER MOVE, that the Board of Supervisors direct the CEO to provide the following additional written information:

2. Within 90 days, a preliminary summary of County and LAHSA programs and functions that will transition to the new County department, should the Board

choose to create the new County Department, including a functional “end-state” organizational chart, to be refined as the process continues, and description of programs that will operate out of the new department. The report should describe any proposed phasing of department operations, funding transfers, department’s projected staffing needs, necessary classifications, and job duties.

3. Within 120 days, a fiscal and staffing plan for the new department which should include, but not be limited to, all homelessness programs and funding sources across Departments which will be consolidated into the new department.

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LPH:ap/cl/jrl/cc

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VOTES REQUIRED:

3-VOTES 4-VOTES 5-VOTES

CATEGORIES: (Please check those that apply)

- 1. Child Welfare
- 2. Community and Youth Empowerment
- 3. County and Municipal Services
- 4. Economic Justice
- 5. Economic and Workforce Development
- 6. Education
- 7. Environment and Environmental Justice
- 8. Fiscal
- 9. Governance
- 10. Health
- 11. Homelessness and Housing
- 12. Immigration
- 13. Public Safety and Diversion
- 14. Social Justice and Human Rights
- 15. Technology and Data
- 16. Arts, Culture, and the Creative Economy
- 17. Legislation
- 18. Parks and Open Space
- 19. Planning/Land Use
- 20. Transportation
- 21. Veterans
- 22. Delegated Authority