## Los Angeles County Homeless Services System Realignment

On March 30, 2022, the Los Angeles County (County) Blue Ribbon Commission on Homelessness (BRCH) adopted a Governance Report¹ that included seven recommendations to improve the County's homelessness service system. The BRCH Commissioners, from a series of presentations and interviews with diverse stakeholders, submitted the report and endorsed "a necessary restructuring that focuses on simplification, urgency, and equity in order to save individuals' and families' lives." The County Board of Supervisors (Board) then adopted all seven recommendations on May 3, 2022, in the motion titled, "Implement the Blue-Ribbon Commission on Homelessness' Recommendations"². The Chief Executive Office (CEO) and County's Homeless Initiative (HI) have provided quarterly reports to the Board on the progress of implementing the seven recommendations. As part of implementation, HI has supported the establishment of the Executive Committee for Regional Homeless Alignment (ECRHA), which started convening in February 2024, and the Leadership Table for Regional Homeless Alignment (LTRHA), which started convening in June 2024. The CEO and HI staff have advanced

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<sup>&</sup>lt;sup>1</sup> https://assets-us-01.kc-usercontent.com/0234f496-d2b7-00b6-17a4-b43e949b70a2/c15b378d-d10e-46aa-a6cc-

<sup>7102043</sup>aa708/BRCH%20Homelessness%20Report%20%28033022%20Adopted%29%20%28Final%29.pdf

<sup>&</sup>lt;sup>2</sup> https://file.lacounty.gov/SDSInter/bos/supdocs/168754.pdf

various items of the BRCH recommendations, however, there are pending analysis, reports, and recommendations, including on Recommendation No. 1, County Entity and Leader, and Recommendation No. 3, The Role and Governance of Los Angeles Homeless Services Authority (LAHSA)<sup>3</sup>.

On November 26, 2024, the Board adopted a motion titled "The Feasibility of Implementing the Blue Ribbon Commission on Homelessness Report Recommendation No. 1 (Establish a County Entity Dedicated to Homeless Service Delivery) and No. 3 (Streamline LAHSA)". This motion directed the CEO to provide a written feasibility report with next steps to implement BRCH Recommendation No. 1, which specifies establishing a new County department dedicated solely to serving people who are unhoused or at risk of becoming unhoused and Recommendation No. 3, to streamline the responsibilities of LAHSA by having them retain only the core functions as required by the Greater Los Angeles Continuum of Care. The CEO provided the first report on February 28, 2025, to advance these two recommendations with a report due in the next 30 days to include a fiscal and staffing plan for the new County department.

The CEO's February 28, 2025, Report on implementing BRCH Recommendations No. 1 and No. 3 proposes three phases. Phase One is the integration of approximately 705 CEO-HI and Department of Health Services (DHS)-Housing for Health staff into a new department within six months. The Phase One integration is proposed to take place between July 1, 2025, and January 1, 2026. Phase Two is the integration of programs funded by the County and currently administered by LAHSA into the new County department, within the following six months to be completed by June 30, 2026. Phase Three is an integration of all programs and services administered by other County departments beyond CEO and DHS into the new County department. The proposed new County department would start off with approximately 705 staff and an over \$1 billion budget.

The implications of transforming the existing homeless service delivery structure goes well beyond CEO-HI, DHS, and LAHSA. The County's existing homeless service

<sup>&</sup>lt;sup>3</sup> https://www.lahsa.org/

<sup>&</sup>lt;sup>4</sup> https://file.lacounty.gov/SDSInter/bos/supdocs/197797.pdf

<sup>&</sup>lt;sup>5</sup>https://file.lacounty.gov/SDSInter/bos/supdocs/197826.pdf

delivery system relies on the work of dozens of community-based organizations and service providers. Service providers are already confronting uncertainty with the federal administration decisions on funding and the County should not add to that uncertainty for the dedicated workers serving people experiencing homelessness (PEH). There are also cities and Council of Governments that provide direct assistance to PEH, and they have asked for a nimble and responsive County entity that guides regional vision and supports local implementation. These are critical stakeholders who need to be actively engaged in the transformation of the homeless service delivery system. There is a lack of inclusion of these stakeholders in the implementation phases as well as a lack of analysis on the impact to their ability to provide services with the proposed new County department.

The proposed establishment of a new County department dedicated to homelessness within six months is aggressive. The County has created various new departments within the last four years, including the Justice Care and Opportunities Department, Department of Economic Opportunity, and the Aging and Disabilities Department. These new departments experienced multi-year growing pains and impacts to direct services provided to County residents. The CEO's report includes just two paragraphs on challenges for establishing the new department, although the County has recent experiences on the transition of services and establishing new departments the report does not include solutions for addressing those challenges. Additionally, the report does not include an analysis of how this integration will result in serving and stabilizing clients sooner and more effectively compared to the current structures and programs in place. County residents want to see swift results that work in reducing the number of PEH and increasing housing stability.

The County's homelessness system has expanded within the last 12 months to include the ECRHA, LTRHA, and Emergency Centralized Response Center. By April 1, 2025, the Board will adopt metrics for the goals outlined in Measure A. Strategic and intentional realignment of the County's homeless system is needed as part of implementing a new County department. The County cannot afford to create a \$1 billion department with over 700 employees without appropriate organizational development, change management, and stakeholder engagement to effectuate the change all Angelenos envision for their unhoused family, friends, and neighbors.

## I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

- 1. Direct the Chief Executive Office (CEO) to utilize their existing delegated authority to engage consultants who specialize in organizational development and change management as part of the planning for the establishment of a new County department for homelessness services. The CEO is to report back to the Board in writing within 15 days on the process for selecting the consultant, funding the agreement, and establishing the timeline for consultants to be included in the planning for the new department. The consultant's first report should be submitted within 60 days of hire and in alignment with implementation of new department. The consultants' scope of work must include, but is not limited to, the following:
  - a. Refinement of the proposed organizational structure with an analysis of how the proposed organizational structure addresses the challenges identified in the multiple audits of homeless services, inclusive of, but not limited to, timely payments, publicly facing data on program effectiveness, and clear tracking and reporting of contracts.
  - b. Analysis of how the merger of the Housing for Health division of the Department of Health Services with the CEO Homeless Initiative (HI) teams will improve housing outcomes for participants and expand service eligibility for all populations.
  - c. Analysis of how the new department dedicated to homelessness would improve coordination between clinical and non-clinical homeless services provided with and by other County departments.
  - d. Analysis of how a new department dedicated to homelessness would improve Countywide homeless data collection, including demographic information (such as race, gender, ethnicity, age, Service Planning Area, etc.); the numbers of persons experiencing homelessness served; the numbers of clinical and non-clinical beds and slots; rates of persons staying and leaving both temporary and permanent housing; and vacancy rates.
  - e. Analysis of how a new department dedicated to homelessness would address rates of homelessness throughout the County.

- f. A recommended detailed timeline for the phases of the consolidation of administrative functions, staff and services in the new County department.
- g. Recommended hiring and staffing plan to ensure that critical services are not disrupted during the transition to the new structure, inclusive of engagement and negotiation with labor units.
- h. Recommended internal controls and administrative processes that would be needed to ensure the effective, timely, and transparent operations of the new County department.
- Recognizing the continued fiscal pressure and uncertainty ahead, completion of a fiscal analysis confirming that no additional County funding from any source will be needed to consolidate services into a new County department.
- j. Analysis of lessons learned from the recently created County departments such as Department of Economic Opportunity, Justice, Care and Opportunities Department, Department of Youth Development, and the Department of Aging and Disabilities, to help with the implementation of a new County department dedicated to homelessness. The consultant should be granted access to any existing analysis or evaluation of department creation or realignment.

## I FURTHER MOVE THAT THE BOARD OF SUPERVISORS:

- 1. Direct the Executive Director of CEO-HI or designee, to report back to the Board in writing in 15 days with a stakeholder engagement plan for homelessness system realignment as part of the development, implementation and oversight of the new County department which includes and is not limited to:
  - a. Stakeholder engagement and advisory councils inclusive of different County departments that provide homelessness services, external service providers (homeless service providers, re-entry service providers, and housing providers), people with lived experience, Councils of Governments, and Los Angeles Homeless Services Authority.

- b. Leveraging the ongoing engagement resources in the proposed CEO-HI budget for establishing a consensus building model of stakeholder engagement which includes utilizing existing tables, committees, and spaces as well as creating a concentric circle of participation with clear roles and functions for input to the development of the new County department.
- c. Provide stakeholders with the racial and ethnic group data and status of how County departments are doing in closing disparities for people experiencing homelessness to inform their input to the new County department.
- d. Involve the evaluation team to work with stakeholders for participatory research and evaluation in order to have both qualitative and quantitative data on program impact and outcomes for the new County department.

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