

AGN. NO.

**MOTION BY SUPERVISORS HOLLY J. MITCHELL
AND JANICE HAHN**

February 3, 2026

Adopting Formulas to Advance Housing Solutions in Unincorporated LA County

The County of Los Angeles (County) has over 120 unincorporated areas representing nearly one million residents. These communities vary widely in geography and density and have unique housing needs. If the unincorporated County were its own city, it would be the second largest in the County, by population. The unincorporated areas alone have an affordable housing shortage of approximately 90,000 housing units, making a targeted housing and investment strategy a critical part in solving the housing crisis across the region¹. This Board of Supervisors (Board) has consistently prioritized an equity-driven approach to addressing homelessness, housing instability, and displacement risk in the County's unincorporated areas, recognizing that these communities experience disproportionately high levels of rent burden and housing insecurity.

For several years, the County has taken proactive measures to address this shortfall and the broader housing crisis. In 2022, through California Senate Bill 679, the state

¹ <https://chpc.net/housingneeds/?view=37.405074,-119.26758,5&county=California,Los+Angeles&group=housingneed&chartgroup=cost-burden-parent%7Ccurrent&chart=shortfall%7Ccurrent,cost-burden-all%7Ccurrent,cost-burden-oa%7Ccurrent,cost-burden-yc%7Ccurrent,cost-burden-re%7Ccurrent,cost-burden-re-inc,homelessness,overcrowding,overcrowding-ten,tenure-re,historical-rents,vacancy,asking-rents%7C2024,budgets%7C2023,funding%7Ccurrent,state-funding,multifamily-production,lihtc%7C2010:2024:historical,rhna-progress%7C5>

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MITCHELL	_____
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authorized the creation of the Los Angeles County Affordable Housing Solutions Agency (LACAHSA) to produce and preserve affordable housing and prevent homelessness. Subsequently, on November 5, 2024, County voters also passed Measure A, a half-cent sales tax, to address homelessness and its root causes. A portion of these revenues is allocated to eligible jurisdictions, including the County, to administer the funds for the unincorporated areas. The County is projected to receive approximately \$24.8 million in funding on behalf of its unincorporated areas, which must be invested in eligible use categories including Production, Preservation, and Ownership (PPO), PPO Flexible Funds, Renter Protection and Homelessness Prevention (RPHP), and Technical Assistance.

On September 30, 2025, the Board adopted a motion titled *Advancing Housing Solutions in the Unincorporated Areas* that directed the Chief Executive Office (CEO) Municipal Unincorporated Area Services (MUAS) Unit, in collaboration with the Los Angeles County Development Authority (LACDA), the Department of Consumer and Business Affairs (DCBA), and the Department of Homeless Services and Housing (HSH) to report back on formula options for the LACAHSA unincorporated area funding for PPO and RPHP dollars².

The report back highlights seven methodologies (formulas) for distributing LACAHSA funding: (1) Even Suballocation; (2) Local Solutions Fund; (3) Unincorporated User Utility Tax; (4) Realistic Capacity and/or Renter Households (Regional Housing Needs Allocation); (5) Affordability (Rent Burden); (6) Displacement Risk; and (7) Aggregating Funds.³ Based on the diverse needs of each of the districts, the report back finds that formulas based on affordability and displacement risk are preferred and most aligned with the equity baseline.

The report also supports aggregating the PPO and PPO Flex Funds to maximize the County's ability to provide deeper support for high-quality affordable housing projects and allow for more flexibility for larger projects. Given that the projected PPO and PPO

² <https://file.lacounty.gov/SDSInter/bos/supdocs/207891.pdf>

³ https://file.lacounty.gov/SDSInter/bos/bc/1197037_BM-HousingSolutions-FundingFormula_final-signed_.pdf

Flex Funds will only fund 2-3 projects in any given Notice of Funding Availability, the analysis supports keeping these funds together.

The report's analysis finds that Formula 5, which distributes the RPHP funds based on the number of rent-burdened households within Supervisorial Districts, aligns closely with equity outcomes by targeting resources to communities facing housing instability and displacement risk.

These allocations should be incorporated into the Unincorporated Areas Housing Strategic plan that LACDA, DCBA, and HSH will be submitting to the Board. The CEO-MUAS Unit has been the central convener of the plan; however, the coordination for implementation of the plan should be moved to HSH once the plan is adopted.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct and delegate the Director of the Department of Consumer and Business Affairs (DCBA), or designee, to: (i) adopt Formula Five, using the Affordability Metric based on Rent Burdened Households as outlined in the Chief Executive Office (CEO) Municipal Unincorporated Area Services (MUAS) Unit's report back dated December 1, 2025, for Los Angeles County Affordable Housing Solutions Agency (LACAHSA) Renter Protection and Homeless Prevention (RPHP) funding for the County's unincorporated areas; (ii) directly receive, administer, and manage RPHP funds, received through LACAHSA on behalf of the County for the unincorporated areas; (iii) apply for grants and execute agreements for professional and other services, including entering into and/or amending such agreements without adhering to the County's Sole Source Policy or any other competitive procurement requirements; and (iv) track the outcomes of utilizing RPHP funds to support DCBA's Eviction Prevention and Tenant Stabilization programs, including but not limited to the Tenant Right To Counsel, Stay Housed LA, and Rental Assistance programs.
2. Direct the Directors of the Department of Homeless Services and Housing (HSH) and the Department of Human Resources to establish the head of the Office of Unincorporated Services and Strategies (branch) that will report directly to the Director of HSH. The head of this office should be hired within 60

days in consultation and involvement with the Board. The role includes overseeing the implementation of the unincorporated areas' strategic housing plan, tracking metrics towards implementation, and reporting the outcomes directly to the Board.

WE FURTHER MOVE THAT THE BOARD OF SUPERVISORS ACTING AS THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:

1. Direct and delegate the Executive Director of Los Angeles County Development Authority (LACDA), or designee, to: (i) aggregate the Production, Preservation and Ownership (PPO) and PPO Flexible Funds and issue one annual Notice of Funding Availability for the combined funds; (ii) directly receive, administer, and manage funds, received through LACAHSA, on behalf of the County for the unincorporated areas; (iii) apply for grants and execute agreements for professional and other services, including entering into and/or amending such agreements without adhering to LACDA or any other competitive procurement requirements.
2. Direct and delegate the Executive Director of LACDA, or designee, to accept funding for the PPO and the PPO Flexible Funds and execute and amend funding agreements between LACAHSA and LACDA.
3. Direct and delegate the Executive Director of LACDA, or designee, to incorporate the funding into LACDA's approved Fiscal Year 2025-2026 budget, as needed.
4. Direct and delegate the Executive Director of LACDA, or designee, to include in the strategic plan that is to be developed by CEO-MUAS in coordination with LACDA, DCBA, and HSH, an option to rotate the PPO fund to each Supervisorial District annually to the greatest extent possible, with recommendations or indicators for revisiting this approach in response to any emerging environment or landscape shifts. The plan should also allow reopening the funds Countywide if applications do not meet minimum qualifications and funding is not fully exhausted.

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