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Protecting Public Trust: Accountability in Homeless Services Contracts

Recent arrests and allegations of fraud being committed with funding intended to provide services and housing for people experiencing homelessness are devastating to the network of care on which tens of thousands of people in Los Angeles County rely. Such criminal behavior robs vulnerable people of the help they so desperately need; breaks the hearts and spirit of homeless service providers who have dedicated their lives in service of people who are experiencing homelessness; and destroys the faith of the constituents of Los Angeles County who fund and entrust the government to create a social safety net to support the most vulnerable people in our community.

When the Board of Supervisors voted to launch the Department of Homeless Services and Housing (HSH) to consolidate the County’s homeless service response and recoup County investments from the Los Angeles Homeless Services Authority (LAHSA), they did so to achieve multiple goals. The overarching vision was to create an efficient, coordinated, impactful system directly accountable to the Board of Supervisors. They tasked HSH to leverage and consolidate often siloed funding and fragmented

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programming that does not operate at peak effectiveness. But the vision also calls for HSH to closely monitor contractors for efficiency and compliance, providing transparency on the work being completed and the impact of those activities. This vision is not only necessary as required by accepted accounting practices but is also necessary as a result of multiple failures at LAHSA over the years. Multiple audits, over many years, showed repeated lapses and a lack of proper contract monitoring and accounting procedures at LAHSA. These inadequacies led to the loss of funds and increased the likelihood of fraud, and were a key reason to remove County funds from LAHSA and return them to a new County department.

The launch of HSH on January 1, 2026, provides the ideal opportunity for the creation of contract issuance, implementation, and monitoring protocols, that are robust, proactive, creative, and ensure accountability and transparency, before the department executes its first contracts on July 1 of this year. The abhorrent, criminal behavior of one person or provider threatens the entire system and its ability to perform. Understanding that the overwhelming majority of providers are ethical, however, it is also important that HSH develop a balance between not producing unnecessary administrative burdens on providers while also implementing strict oversight of carefully constructed contracts.

As programs and contracts transfer from LAHSA to HSH, there must also be robust vetting of providers and thoughtful updates to contract language that allow for tighter controls, fraud prevention, and the flexibility for HSH to quickly terminate contracts or transfer funding. HSH should consider innovative monitoring and investigative protocols that include frequent in-person site visits.

The Board of Supervisors and HSH are stewards of public funding, responsible for providing quality services for people experiencing homelessness. There is absolutely no room for error in the oversight of this system and our contracted providers.

WE, THEREFORE, MOVE that the Board of Supervisors direct the Department of Homeless Services and Housing to:

1. Partner with the Department of Auditor-Controller to confirm robust, yet efficient, contract issuance, implementation, and monitoring protocols and procedures, including a contract monitoring function, which should include, but not be limited to: a contract template for the department reviewed by County Counsel; high standards of accountability, including clearly defined performance measures, and timely contractor communication; strong provisions for contract termination; the development of active monitoring, to include random, in-person site visits, field based compliance protocols, corrective action plans, and tools such as customer satisfaction surveys; accounting protocols to ensure verification of services performed and timely payment; and a process for ongoing risk assessment of new and existing contractors.
2. Explore contracting with the Department of the Auditor-Controller to perform certain oversight functions, including monitoring of high-risk contractors.
3. In coordination with the Auditor-Controller, report back to the Board of Supervisors in writing in 60 days the department's internal contract issuance, implementation, and monitoring protocols and procedures, plans for ensuing a robust contract monitoring function (to include consideration of direct

contracting with the Department of Auditor Controller), and how these oversight functions will be implemented.

4. Provide a verbal presentation of the report back to the Board of Supervisors at the April 14, 2026, Board Meeting.

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