LA COUNTY
Homeless Services & Housing

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Sarah Mahin, Director

September 29, 2026

To: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell, Chair Pro Tem
Supervisor Lindsey P. Horvath
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Sarah Mahin
Director

AFFORDABLE HOUSING PROGRAMS BUDGET: FISCAL YEAR 2026-27 (ITEM NO. 34.7-5, AGENDA OF SEPTEMBER 26, 2017)

Background

On October 27, 2015, the Los Angeles County (County) Board of Supervisors (Board) adopted a motion[1] (2015 motion) that created a new Affordable Housing Programs Budget Unit (Budget Unit) within the General Fund. The 2015 motion further directed the Chief Executive Officer[2] (CEO) to identify $20 million in funding for the Budget Unit in Fiscal Year (FY) 2016-17, and to increase this amount by $20 million per year in each of the subsequent four FYs, to reach an annual allocation of $100 million per year by FY 2020-21. On September 26, 2017, a related motion[3] (2017 motion) provided new direction regarding the Budget Unit and future affordable housing strategies. More specifically, the 2017 motion directed the CEO to identify funding for the Budget Unit at the time of the Final Changes Budget. The 2017 motion also directed the CEO to make recommendations on allocations from the Budget Unit during each FY's Final Changes Budget. For FY 2026-27, Homeless Services and Housing (HSH) is providing a comprehensive funding plan at the Supplemental Changes Budget to include its recommendations for both the $100 million allocation and $16.872 million in FY 2025-26 carryover and unclaimed Treasurer and Tax Collector funds.

Funding Plan for the Affordable Housing Programs Budget Unit

In FY 2026-27, the Budget Unit is funded at $100 million, with $84.606 million from Additional Fund Balance and $15.394 million from redevelopment deferrals.

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[1] 2015 Motion
[2] On January 1, 2026, Chief Executive Office - Homeless Initiative (CEO-HI) was incorporated into the new Department of Homeless Services and Housing (HSH).
[3] 2017 Motion

Recommended Funding Allocations for FY 2026-27

The 2015 motion directed the CEO to allocate up to 8 percent of the Budget Unit for administrative expenses (increased to 10 percent in the 2017 motion) and a minimum of 75 percent to programs dedicated for production of new, or preservation and rehabilitation of existing, affordable housing for very and extremely low-income or homeless households, including workforce housing and permanent supportive housing. The 2015 motion further directed that any remaining funds be reserved to support tenant protections, such as rental assistance, rapid re-housing, move-in assistance as well as shared housing and other related services.

On January 10, 2023, the Board declared a local emergency for homelessness in the County and subsequently adopted four strategic missions – Encampment Resolution, Housing, Mental Health and Substance Use Disorder Services, and Eviction Prevention. The affordable housing budget recommendations support implementation of the declaration's housing and eviction prevention missions.

The recommended FY 2026-27 Budget Unit funding allocations (Attachment I) support ongoing programs to which the Board has allocated Budget Unit funds in past FYs, including Los Angeles County Development Authority's (LACDA) Notice of Funding Availability (NOFA), Affirmatively Furthering Fair Housing Programs, the Open Doors Program, rental subsidies for the Department of Health Services – Community Programs, and the Department of Consumer and Business Affairs' Emergency Rental Assistance Program. In addition, HSH recommends supporting LACDA's Preservation program to stabilize at-risk affordable housing in LACDA's portfolio and operational funding for the Culver City's Homekey Project.

On April 23, 2026, LACDA released NOFA 32, which indicates that up to approximately $90 million will be available from the Budget Unit for units reserved for qualifying Special Needs and General Affordable populations. Since LACDA has not expended $43.7 million in Budget Unit funds previously allocated to its NOFA, HSH recommends decreasing the FY 2026-27 allocation to the LACDA NOFA from $75 million to $52.588 million, which will still allow NOFA 33 to make available up to $96.288 million. This allocation meets the 2015 motion's requirement for a minimum of 75 percent to programs dedicated for production and preservation of affordable housing. Further, the County's annual allocation of $100 million meets the Measure A, Section 5D requirement to obligate at least $100 million from the Budget Unit from all sources to that unit (not limited to the tax imposed by this Ordinance) for the following uses: the production of new, or preservation of existing, affordable housing for low, very low, extremely low, and acutely low-income or homeless households; rental assistance; rapid re housing; shared housing; move-in assistance; and administrative costs related to these uses.

For the Supplemental Changes Budget phase, HSH also recommends allocating the total amount of $16.872 million in carryover and unclaimed Treasurer and Tax Collector funds to the following programs: Local Rent Subsidies and the Land Bank Pilot administered by HSH, Eviction Diversion administered by Consumer and Business Affairs, and the Homeless Services Coordinator administered by LACDA (Attachment II).

As the County advances its affordable housing goals, HSH will continue to work with relevant departments and agencies to plan for uses of Budget Unit funds that will support the County's comprehensive programs to address the affordable housing crisis and prevent homelessness.

Should you have any questions concerning this matter, please contact me or Leepi Shimkhada, Chief Program Officer, at (213) 974-1752 or lshimkhada@hsh.lacounty.gov.

SM:LS:EBI
DP:VD:ym

Attachments

c: Executive Office, Board of Supervisors
Chief Executive Office
Consumer and Business Affairs
County Counsel
Health Services
Los Angeles County Development Authority

FISCAL YEAR (FY) 2026-27 AFFORDABLE HOUSING BUDGET FUNDING ALLOCATION PLAN FOR $100M			
Program	**Administering Agency or Department**	**FY 2026-27 Recommended Amount**	**Description**
Los Angeles County Development Authority (LACDA) Notice of Funding Availability (NOFA)	LACDA	$52,588,000	LACDA NOFA supports the development of affordable housing, per 2015 Board Order to allocate 75 percent of the Affordable Housing Program Budget for the production or preservation of affordable housing. The LACDA NOFA provides capital funding and Section 8 Project-Based Vouchers for the creation and operation of eligible permanent affordable multifamily rental housing units, which are awarded to nonprofit or for-profit organizations through a competitive process. Over 11,000 affordable housing units have been funded to date.
Preservation	LACDA	$20,000,000	Funding to: 1) implement use of expanded monitoring systems for financially or operationally at-risk projects in LACDA portfolio; 2) develop legal, regulatory, and financial tools to stabilize projects, including modifications to loan agreements, transfers to more stable borrowers, and additional loans or grants; and 3) cover the costs of the additional loans or grants at average cost of $15k per unit, or $975k per project.
Emergency Rental Assistance	Department of Consumer and Business Affairs (DCBA)	$10,000,000	As directed in a Board motion on September 16, 2025 (Item 12), DCBA launched a standing, scalable, and flexible Emergency Rental Assistance Program in Fiscal Year (FY) 2025-26 to provide direct financial relief to landlords and tenants facing economic hardship or displacement due to natural disasters-such as the 2025 Los Angeles County (County) wildfires and recent civil demonstrations. This program preserves housing stability for vulnerable tenants while offsetting financial losses for property owners. The program enables rapid deployment of grants to cover past-due rent and other eligible housing-related expenses, ensuring the County can respond quickly and effectively to future emergencies. The program is projected to serve a minimum of 966 households.

Open Doors Program	LACDA	$8,761,000	Funding for customer service for tenants in the Section 8 Housing Choice Voucher program and property owners, ongoing tenant and property owner workshops, and the cost of the landlord incentives. Incentives include: 1) sign-on bonus; 2) damage mitigation fee; 3) security deposit; and 4) rent on vacant units.
Rental Subsidies for Health Services - Community Programs (formerly Office of Diversion and Reentry)	Health Services (DHS)-COMMUNITY PROGRAMS	$3,000,000	On August 13, 2019, the Board allocated funds for rental subsidies for permanent supportive housing for individuals who are experiencing homelessness, have a mental health and/or substance use disorder, and who are incarcerated in the County of Los Angeles Jail.
Affordable Housing Administrative Costs	Homeless Services and Housing (HSH) - Affordable Housing	$2,000,000	Affordable Housing staff salaries ($1.652 million), consultants, and County services ($.348 million).
Project Homekey	HSH-Affordable Housing	$1,764,000	Operational funding for the Culver City Project Homekey project, related to the 2022 Board directive for the County to support cities pursuing Project Homekey funding from the State.
Affirmatively Further Fair Housing	LACDA	$924,000	On January 15, 2019, the Board directed to allocate funding to support County programs to affirmatively furthering fair housing. The programs include, but are not limited to, the following strategies: 1) Customer/Incentive Programs for Landlords; 2) Displacement/ Gentrification Study; 3) Establish/Develop Displacement Database; 4) Expand Home Ownership Program; and 5) Expand Fair Housing Services. In addition, funds can be used for fair housing education and testing, outreach, investigation, and legal consultation for tenants and landlords. The funds are leveraged to expand fair housing services provided by the Housing Rights Center and its subcontractors.
South Public Housing Scattered Sites	LACDA	$425,000	On December 1, 2015, the Board approved to retain 241 public housing units that are located in various unincorporated communities in South Los Angeles (South County Public Housing Scattered Sites) as public housing and prioritize homeless families and victims of

			domestic abuse within South County Public Housing Scattered Sites. This funding goes towards operating costs.
Emergency Rental Assistance Hotline	DCBA	$538,000	DCBA's hotline to access information about the Emergency Rental Assistance Program.
TOTAL		$100,000,000	

FISCAL YEAR (FY) 2026-27 AFFORDABLE HOUSING BUDGET FUNDING ALLOCATION PLAN - CARRYOVER AND TREASURER TAX COLLECTOR (TTC) UNCLAIMED FUNDS			
Program	**Administering Agency or Department**	**FY 2026-27 Recommended Amount**	**Description**
Local Rental Subsidies	Homeless Services and Housing (HSH)	$7,537,000	This allocation is intended to support Local Rental Subsidies that can be used to create and sustain affordable housing opportunities such as Time-Limited Subsidy or supporting Flexible Housing Subsidy Pool project-based subsidies. This allocation can provide deeper support to clients who may need more assistance or don't qualify for federal subsidies.
Land Bank Pilot	HSH-Affordable Housing	$4,812,000	Funding will be used for program in development and scheduled for continued programming in FY 2026-27 for Capital Funds for Pre-Development and Administration Costs. On schedule to complete acquisition of five properties in FY 2026-27, one in each Supervisorial District, and develop high-density affordable housing.
Eviction Diversion	Department of Consumer & Business Affairs (DCBA)	$3,000,000	Funding will be used for the program in development and scheduled for continued programming in FY 2026-27 for a County-funded, Voluntary Eviction Diversion Program at a single, local Los Angeles Superior courthouse to enroll landlords and tenants into a pilot program that aims to resolve disputes between these parties, within 30 days of an application being submitted. The intent is to resolve disputes that would ordinarily result in a Unlawful Detainer (UD) case. DCBA would implement this Program by contracting with a licensed mediation group and an administrator for the disbursement of rental assistance to help facilitate a successful resolution to the dispute before the case is formally filed as a UD. Rental assistance would be provided to landlords, on behalf of tenants, that meet certain eligibility criteria.
Affordable Housing Administration Cost	HSH-Affordable Housing	$1,307,000	To fund various operational support costs for staffing and program support in FY 2026-27.
Homeless Services Coordinator	Los Angeles County Development Authority (LACDA)	$216,000	To fund LACDA staff item to facilitate the coordination, integration and reporting of all homeless matters, and represent LACDA at the various meetings and events (Coordinated Entry System Policy Council and Continuum of Care Board), also to maintain a framework of activities to build a strong interagency structure, align policies, promote systems integration, and ensure collaboration among the various LACDA divisions as well as with the other County government agencies and external

			stakeholders, such as Public Housing Authorities (PHA), Los Angeles Homeless Services Authority, and the City of Los Angeles. This includes convening quarterly meetings with the 19 PHAs to discuss ways to collaboratively solve common issues related to the administration of assisted housing programs.
TOTAL		$16,872,000	