Measure A Local Solutions Fund

Distribution & Disbursement

DRAFT Formula & Agreement Scenarios

Los Angeles County Local Jurisdiction Briefing

AGENDA

	Measure A - Local Solutions Fund – Broad Picture & Criteria
	Orientation to the Briefing Materials
	Measures of Homelessness
1	Multi-Year Average PIT Count (Current Baseline)
2	One-Year Most Recent PIT Count
3	Multi-Year Average PIT Count + Incentive Fund
4	Multi-Year Average PIT Count + MV - Census Bureau's American Community Survey (ACS)
5	Mutli-Year Average PIT Count+ RHNA
6	Multi-Year Average PIT Count + ACS + RHNA
	Disbursement, Considerations, Process

Measure A - LSF: Broad Picture

1. This briefing is intended to provide Board Offices with an overlay of **formula options with various measures** to inform decision-making for Measure A Local Solutions Fund allocations.

2. The formulas will provide **approximate values of potential allocations** to respective cities and unincorporated areas.

3. A **floor amount of 25K can be considered** to ensure meaningful allocations are supplied to every city.

4. The floor amount will be incorporated if Board offices support this approach.

5. These figures are in no way final allocations.

Measure A – LSF Criteria

What does Measure A say about the Local Solutions Fund & the PIT Count?

HOW MUCH

At least 15% of the proceeds from the tax shall be allocated to a Local Solutions Fund (LSF).

Projected Amount = $96,846,871 (as of 11/2024)

TO WHOM

The LSF shall be disbursed to cities, councils of governments, and the County on behalf of its unincorporated areas via a formula determined by the Board in consultation with the cities.

HOW

The LSF shall be distributed via a formula based on the HUD-mandated Point in Time (PIT) Count and/or similar measures of people experiencing homelessness.

FOR WHAT

The LSF funds shall be for programs consistent with the purposes outlined in the measure, which includes homeless prevention, homelessness services, and affordable housing programs.

| Prevention | Mental Health | Substance Use Treatment | Case Management & Outreach | Employment | Housing Placements | Services for TAY & Children | Affordable Housing |

Orientation to the Briefing Materials

Six Color-Coded and Numbered Scenarios

Pros and Cons of each scenario are provided for your consideration.

City-by-City Summaries of Projected Allocations Under Each Scenario

Cities are largely grouped by their COG region and totals shown by region are just the sum of all city allocations in that region

All scenarios add to the same total, which will change as revenue estimates evolve.

Measure A – LSF Measures

What is the PIT Count? What are similar measures of people experiencing homelessness?

RECOMMENDED BY CEO-HI

01 **Point in Time (PIT) Count**
HUD-mandated annual snapshot of the number and demographics of people experiencing homelessness during a specific time.

02 **Regional Housing Needs Allocation**
City-by-city allocation of the forecasted housing elements needed for that city to meet the housing needs of its population at varying income levels, including Very Low Income (VLI).

03 **Federal Census Data**
Federally published demographic and economic data for the population of every city based on 5-years of American Community Survey (ACS) data.

NOT YET AVAILABLE BY CITY

04 **Homeless Student Enrollment**
DOE-mandated academic year count of students experiencing homelessness in public and charter schools, as defined by the McKinney-Vento Act.

County Administrative Data **05**
Individual records of the people who engaged and/or received a County service, including, but not limited to people experiencing homelessness.

HMIS Extracts **06**
Extract of anyone enrolled in an Interim Housing program or with an outreach or homeless service engagement within a specific period.

By Name Lists (BNL) **07**
Person-by-Person list created to support a specific effort and developed using "current living situations" and targeted selection criteria (e.g. veteran status) in HMIS.

Local Census Counts **08**
One-time or routine counts organized by neighborhoods and communities for their own planning purposes (not connected to HUD, DOE, or the U.S. Census).

How to Evaluate Each Measure

Accuracy

Availability

Influence
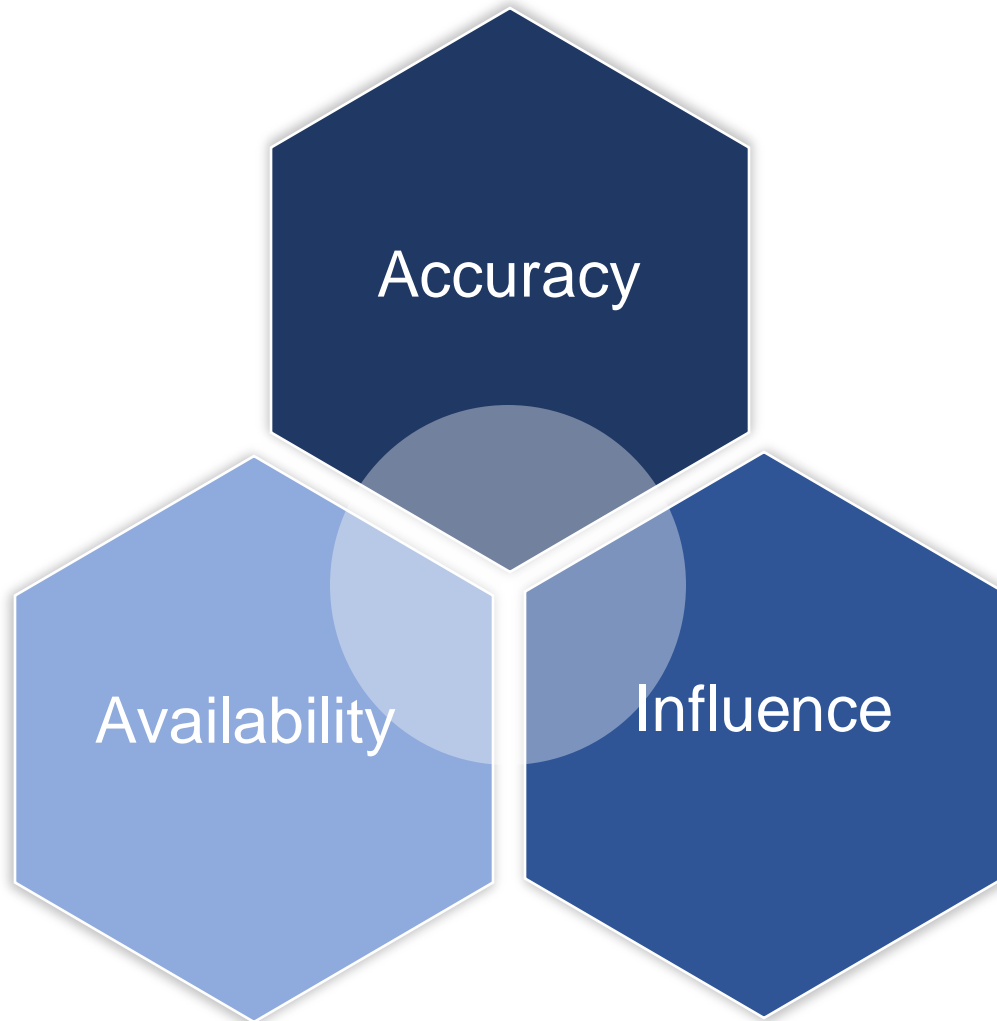
- **Accuracy:** There are two kinds of accuracy to consider

  - **Absolute Accuracy:**
    - Does the measure accurately measure the thing it is trying to measure, or does it have known errors, omissions, inequities, or bias? (e.g., Are there actually 140 unhoused people in City A?)

  - **Relative Accuracy:**
    - Does the measure accurately describe the proportional distribution of the thing it is measuring? (e.g., Does City A have more than City B?)
    - If errors, omissions, inequities, or biases exist, are those errors evenly distributed across jurisdictions? (e.g., Is there a credible reason to believe the number for City A is more accurate than City B?)

- **Availability:** Is this measure available for every jurisdiction across LA County? If not, is there a proxy measure available?

  - **Proxy Measure**: An indirect way to measure a desired outcome when direct measurement is not possible or available. Proxies are often used when there is little data about a program, but there is an accepted proxy for the outcome the program is intended to influence

- **Influence:** Does using this measure to allocate funding incentivize jurisdictions to reduce homelessness and increase housing supply? Does it perpetuate or worsen inequities?

Multi-Year Average PIT Count
Current Baseline

Formula Methodology: Multi-Year Avg. PIT Count

This formula averages the past two years of PIT Count data (2023 & 2024) for each jurisdiction and then distributes 100% of the funding based on each jurisdiction's proportionate share of that average.

PROS

- Leverages the most accurate measure of the relative number and demographics of people experiencing HUD-defined homelessness across LA County.
- Using a two-year average reduces the volatility of annual changes, which helps cities plan and program services based on projected funding.
- Aligns very closely with the language of the Measure
- Drives funding toward the highest concentrations of homelessness.

CONS

- PIT count reductions would result in funding reductions if those PIT reductions were out of step with countywide trends.
- Focuses on homelessness as defined by HUD, which does not include all forms of federally-recognized homelessness (McKinney Vento) and may undercount some forms of family homelessness.
- Potentially exacerbates inequities and limits service and housing mobility by driving funding toward jurisdictions that already bear the disproportionate burden of homelessness.

Net Impact Highlights

Scenario 1: The Baseline

INCENTIVE FUND	$-
UNINCORPORATED AREAS (120)	$10,155,370
CITIES <100K POPULATION (73)	$11,863,028
CITIES 100K-300K POPULATION (13)	$9,934,737
CITIES >300K POPULATION (2)	$64,893,736

One-Year Most Recent PIT Count

Formula Methodology: 2024 PIT Count

This formula uses the most recent PIT Count data (2024) for each jurisdiction and then distributes 100% of the funds based on each jurisdiction's proportionate share of that total.

PROS

- Leverages the most recent measure of the relative number and demographics of people experiencing HUD-defined homelessness across LA County.
- Aligns very closely with the language of the Measure.
- Drives funding toward the highest concentrations of homelessness.
- Drives resources toward cities where PIT count went up relative to peers.

CONS

- Highly volatile to year-over-year changes.
- PIT count reductions would result in funding reductions if those PIT reductions were out of step with Countywide trends.
- Focuses on homelessness as defined by HUD, which does not include all forms of federally-recognized homelessness (McKinney Vento) and may undercount some forms of family homelessness.
- Potentially exacerbates inequities and limits service and housing mobility by driving funding toward jurisdictions that already bear the disproportionate burden of homelessness.

Net Impact Highlights

Scenario 2 vs. Scenario 1

INCENTIVE FUND	$-
UNINCORPORATED AREAS (120)	$(707,684)
CITIES <100K POPULATION (73)	$559,238
CITIES 100K-300K POPULATION (13)	$931,001
CITIES >300K POPULATION (2)	$(782,644)

Multi-Year Average PIT Count + Incentive

Formula: 90% 23/24 PIT Count Avg. + 10% Incentive

Net Impact Highlights

This formula sets aside 10% as an incentive for jurisdictions that demonstrate progress toward Board-approved objectives, and the remaining 90% is allocated based on an average of the last two years of PIT Count data (2023 & 2024).

PROS
- Creates an incentive structure for jurisdictions to achieve reductions in homelessness and/or increases in prevention and permanent housing production.
- Leverages the most accurate measure of the relative number and demographics of people experiencing HUD-defined homelessness across LA County.
- Reduced volatility helps cities plan and program services based on projected funding.
- Equity impacts would largely depend on how the incentive fund is used.

CONS
- Focuses only on HUD-defined homelessness.
- Reduces the overall funding that is allocated to cities directly, which would likely disappoint some jurisdictions.
- Potential for the perception of County conflict of interest as the County would administer the incentive funds and could also be a recipient of the incentive funds.
- Requires another framework, protocol, and process for administering the incentive funds.

Scenario 3 vs. Scenario 1

INCENTIVE FUND	$9,684,687
UNINCORPORATED AREAS (120)	$(1,015,537)
CITIES <100K POPULATION (73)	$(1,186,303)
CITIES 100K-300K POPULATION (13)	$(993,474)
CITIES >300K POPULATION (2)	$(6,489,374)
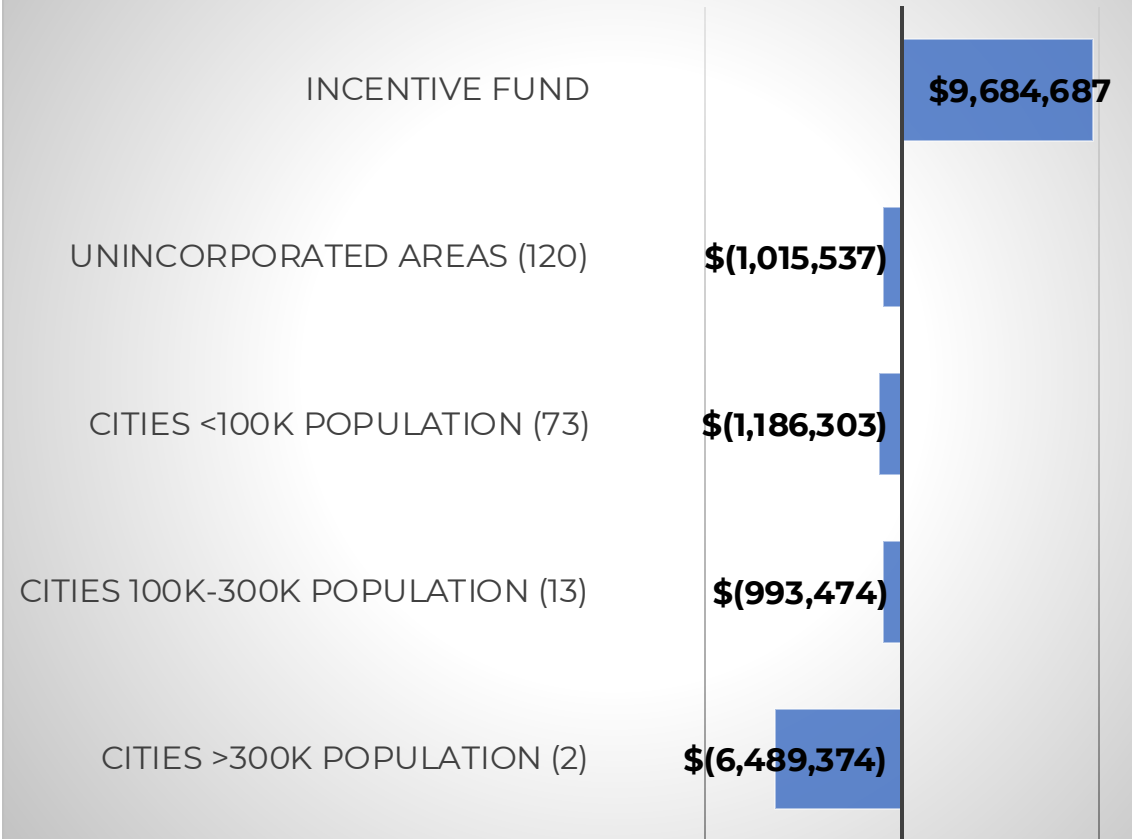
Multi-Year Average PIT Count + MV (ACS Proxy)

Formula: 90% 23/24 PIT Count Avg. + 10% ACS Families

Since McKinney Vento (MV) data is not yet available by city, this formula uses a U.S. Census American Community Survey (ACS) proxy measure for deeply impoverished households to allocate 10% of the funding, and the remaining 90% is allocated based on an average of the last two years of PIT Count data (2023 & 2024).

PROS	• Accounts for known gaps in HUD's definition of homelessness by including a temporary proxy for doubled-up households while we wait for McKinney Vento data by City. • Leverages the most accurate measure of the relative number and demographics of people experiencing HUD-defined homelessness across LA County. • Reduced volatility helps cities plan and program services based on projected funding. • Some cities benefit from including a family-poverty metric (instead of just PIT).
CONS	• Relies on a measure that is a proxy, not a direct measure of doubled-up homelessness. • Unincorporated areas are treated as one large average area under the ACS measure, so funds are not equitably distributed across unincorporated areas (e.g. Antelope Valley vs West Athens). • Reductions in PIT and ACS would result in reductions in funding if those reductions were out of step with countywide trends.

Net Impact Highlights

Scenario 4 vs. Scenario 1

INCENTIVE FUND	$-
UNINCORPORATED AREAS (120)	$(550,516)
CITIES <100K POPULATION (73)	$3,805,431
CITIES 100K-300K POPULATION (13)	$756,453
CITIES >300K POPULATION (2)	$(4,011,367)

Multi-Year Average PIT Count + RHNA

Formula: 90% 23/24 PIT Count + 10% VLI RHNA

Net Impact Highlights

This formula allocates 90% of the funding using an average of the last two years of PIT Count data (2023 & 2024). The remaining 10% is allocated based on each city's progress toward its Very Low Income (VLI) Regional Housing Needs Assessment (RHNA) goals, and its relative contribution to the County's combined VLI RHNA goal.

PROS

- Builds in an incentive structure for jurisdictions who make progress toward their own housing goals for Very Low-Income (VLI) households, as well as rewards them for their relative contribution toward the County's combined VLI RHNA goal.
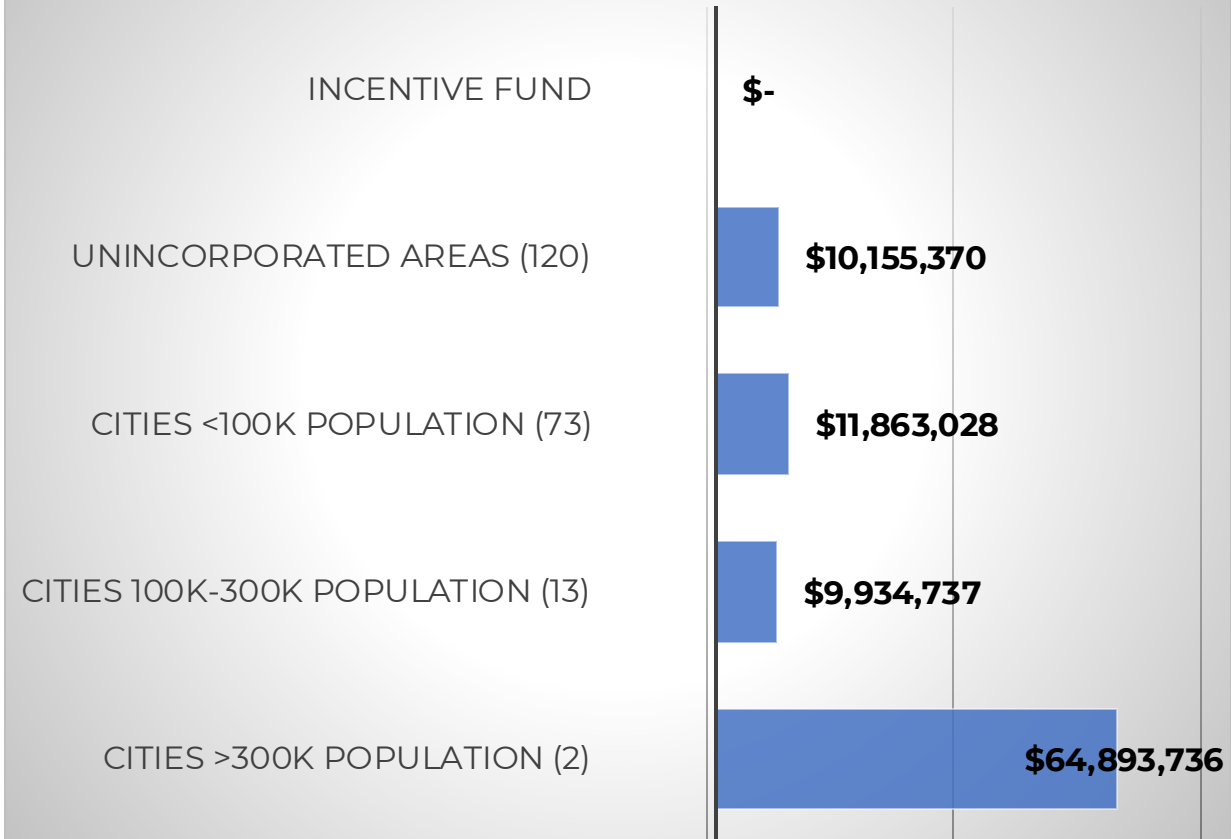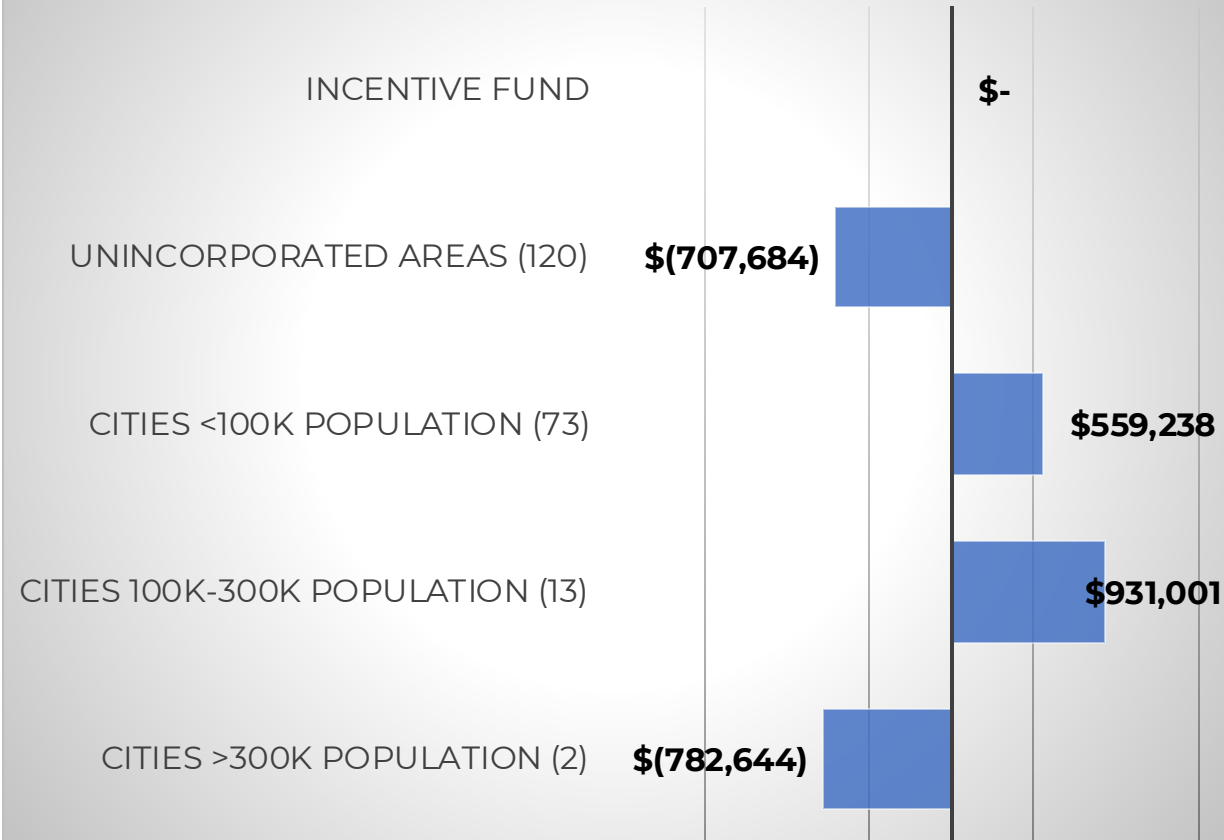
- Leverages the most accurate measure of the relative number and demographics of people experiencing HUD-defined homelessness across LA County.

- Reduced volatility helps cities plan and program services based on projected funding.

- Might incentivize the production of affordable housing for Very Low-Income households across LA County.

CONS

- Leans heavily on HUD-defined homelessness.

- Some cities might disagree with the use of RHNA goals in their Local Solutions Fund methodology – however Measure A is clear that the LSF funds can be used for any lawful purpose outlined in the measure, and affordable housing is one of those purposes.

Scenario 5 vs. Scenario 1

INCENTIVE FUND	$-
UNINCORPORATED AREAS (120)	$(676,393)
CITIES <100K POPULATION (73)	$2,328,296
CITIES 100K-300K POPULATION (13)	$771,351
CITIES >300K POPULATION (2)	$(2,423,254)
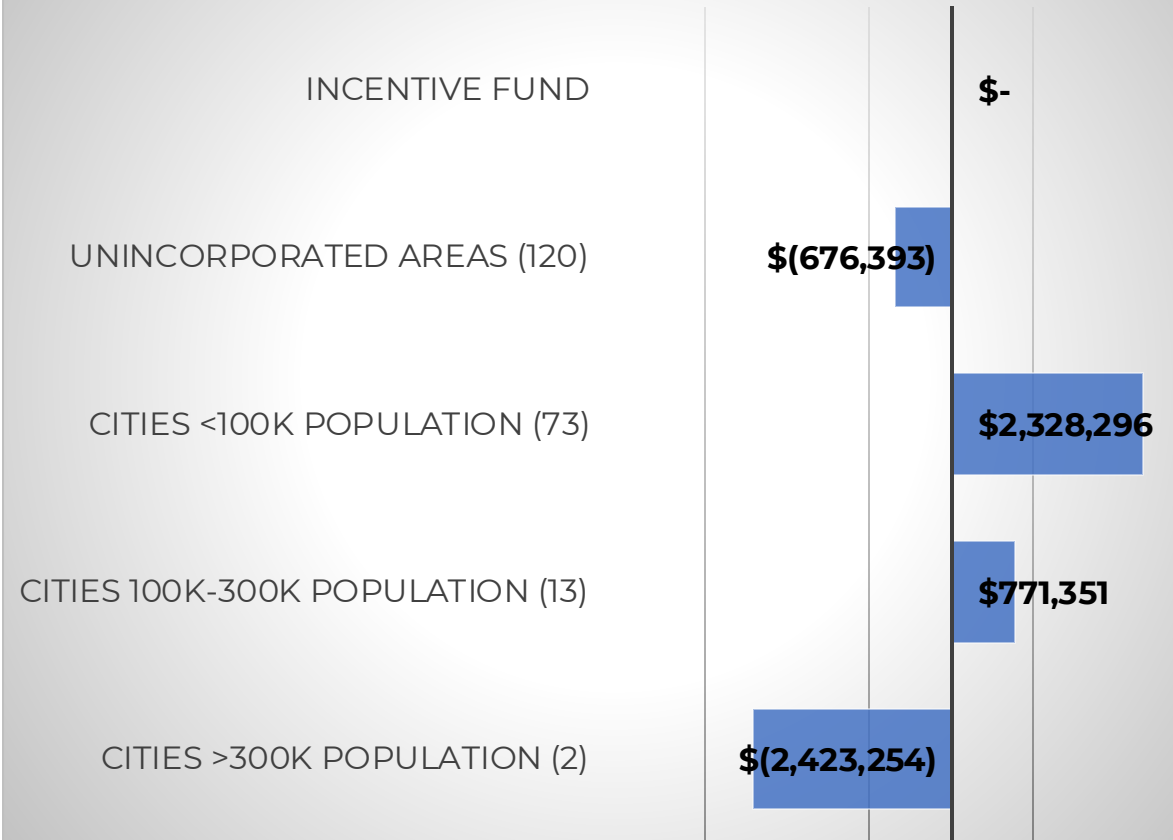
Formula: 90% 23/24 PIT Count + 5% ACS + %5 VLI RHNA

This formula allocates 90% of the funding using an average of the last two years of PIT Count data (2023 & 2024). 5% is allocated based on each city's progress toward its Very Low Income (VLI) Regional Housing Needs Assessment (RHNA) goals, and its relative contribution to the County's combined VLI RHNA goal. 5% is based on U.S. Census American Community Survey (ACS) proxy measure for deeply impoverished households

PROS

- Accounts for known gaps in HUD's definition of homelessness by including a temporary proxy for doubled-up households while we wait for McKinney Vento data by City.

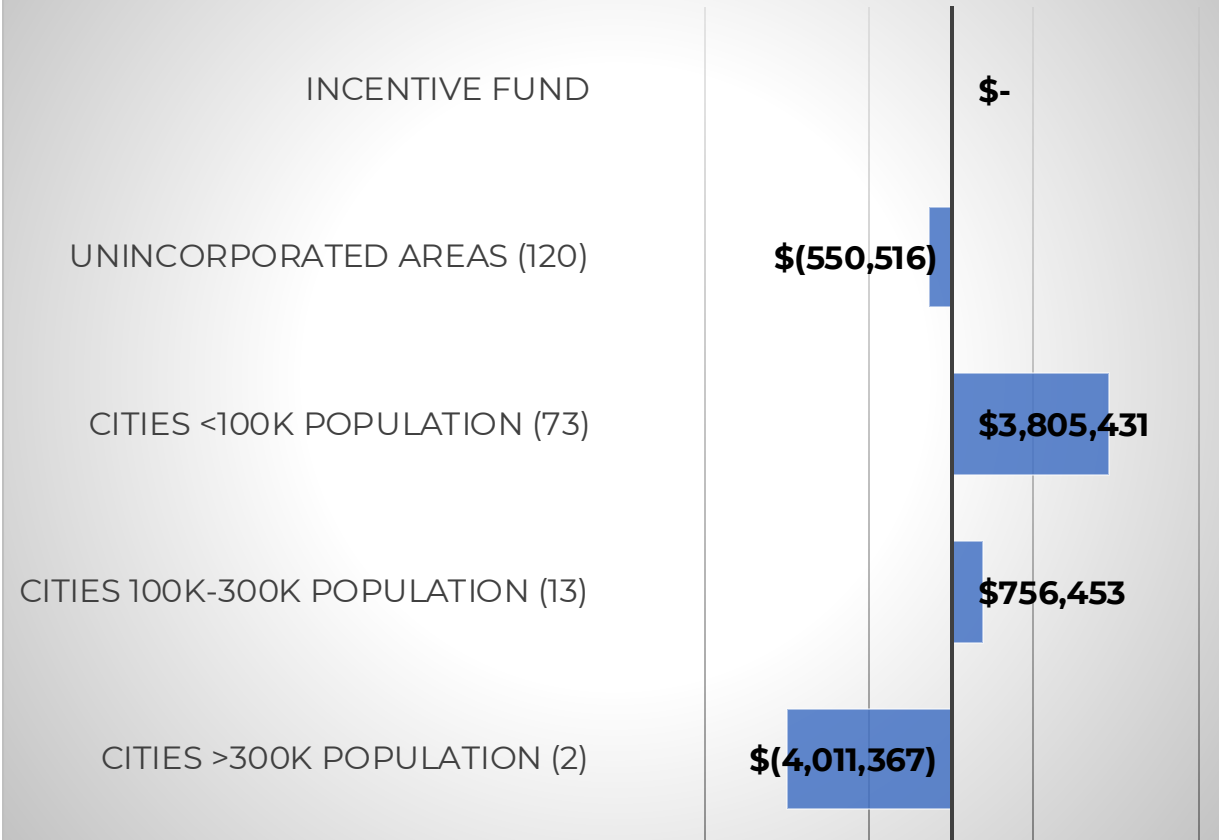- Builds in an incentive structure for jurisdictions who make progress toward their own housing goals for Very Low-Income (VLI) households, as well as rewards them for their relative contribution toward the County's combined VLI RHNA goal.

- Leverages the most accurate measure of the relative number and demographics of people experiencing HUD-defined homelessness across LA County.

- Reduced volatility helps cities plan and program services based on projected funding.

- Might incentivize the production of affordable housing for Very Low Income households across LA County.

CONS

- Some cities might disagree with the use of RHNA goals in their Local Solutions Fund methodology – however Measure A is clear that the LSF funds can be used for any lawful purpose outlined in the measure, and affordable housing is one of those purposes.

Net Impact Highlights

Scenario 6 vs. Scenario 1

INCENTIVE FUND	$-
UNINCORPORATED AREAS (120)	$(613,455)
CITIES <100K POPULATION (73)	$3,066,864
CITIES 100K-300K POPULATION (13)	$763,902
CITIES >300K POPULATION (2)	$(3,217,311)
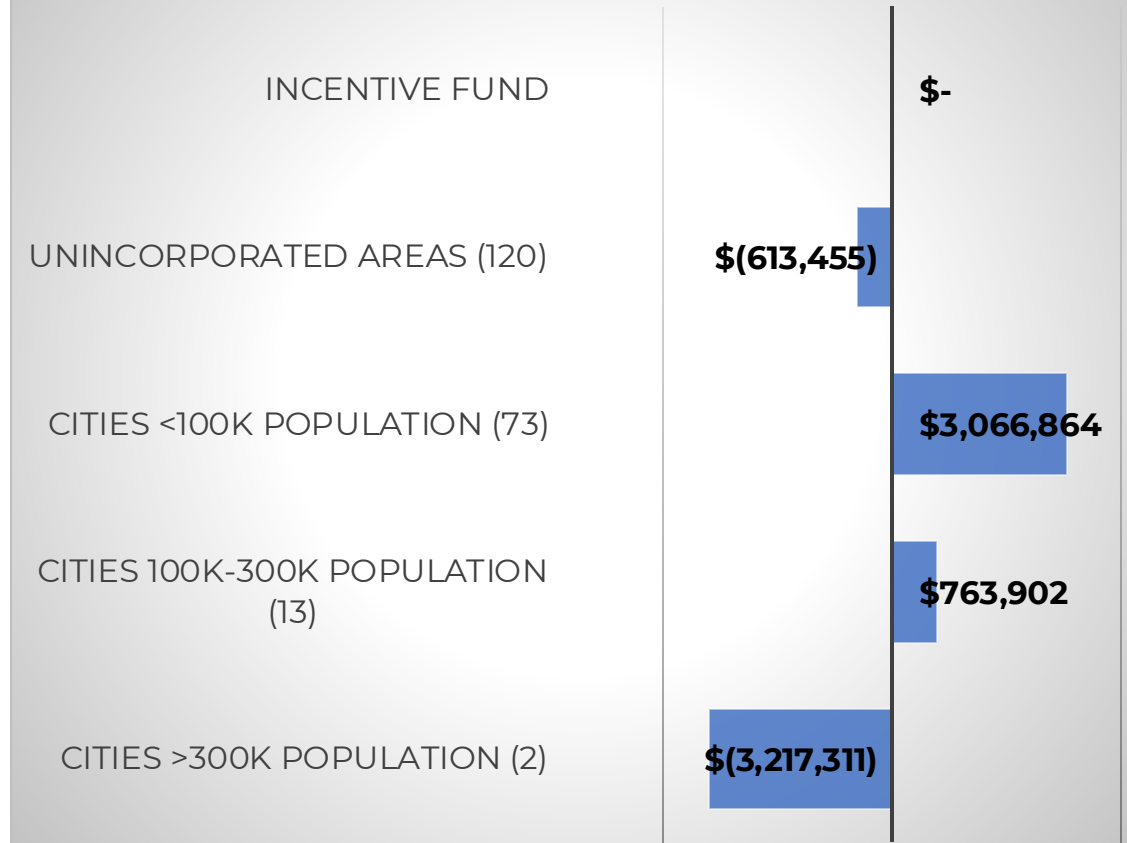
Disbursement of Funds

Applying the Formula Methodology: 2-Year Avg. PIT Count

We can distribute 81% of the LSF with 20 city direct agreements

City/Sub-Region	Supervisorial District	Council of Government	Formula 1 # Value	23/24 PIT Count Avg.	% of total
Los Angeles	1,2,3,4,5	0	1	$ 58,774,325	60.69%
Long Beach	4	GCCOG	2	$ 6,119,411	6.32%
Lancaster	5	0	3	$ 2,228,746	2.30%
Palmdale	5	0	4	$ 1,515,727	1.57%
Santa Monica	3	WCCOG	5	$ 1,435,008	1.48%
Pomona	1	SGVCOG	6	$ 1,182,088	1.22%
Pasadena	5	SGVCOG	7	$ 997,330	1.03%
Inglewood	2	SBCCOG	8	$ 754,276	0.78%
Bell	1	GCCOG	9	$ 622,435	0.64%
Santa Fe Springs	4	GCCOG	10	$ 599,116	0.62%

City/Sub-Region	Supervisorial District	Council of Government	Formula 1 # Value	23/24 PIT Count Avg.	% of total
Compton	2	GCCOG	11	$ 595,528	0.61%
Montebello	1	SGVCOG	12	$ 577,591	0.60%
El Monte	1	SGVCOG	13	$ 526,468	0.54%
Torrance	4	SBCCOG	14	$ 507,634	0.52%
South Gate	1	GCCOG	15	$ 443,955	0.46%
Baldwin Park	1	SGVCOG	16	$ 434,987	0.45%
Downey	4	GCCOG	17	$ 425,121	0.44%
Santa Clarita	5	SFVCOG	18	$ 408,977	0.42%
Bellflower	4	GCCOG	19	$ 386,555	0.40%
Irwindale	1	SGVCOG	20	$ 384,761	0.40%

Disbursement of Funds

Applying the Formula: 90% 23/24 PIT Count + 5% ACS + %5 VLI RHNA

We can distribute 79% of the LSF with 20 city direct agreements

City/Sub-Region	Supervisorial District	Council of Government	Formula 2 # Value	90% 23/24 PIT Count + 5% ACS Families + 5% VLI RHNA
Los Angeles	1,2,3,4,5	0	1	$ 55,839,968
Long Beach	4	GCCOG	2	$ 5,836,805
Lancaster	5	0	3	$ 2,263,872
Palmdale	5	0	4	$ 1,594,595
Santa Monica	3	WCCOG	5	$ 1,591,084
Pomona	1	SGVCOG	6	$ 1,221,366
Pasadena	5	SGVCOG	7	$ 1,039,782
Santa Fe Springs	4	GCCOG	8	$ 932,331
Inglewood	2	SBCCOG	9	$ 838,764
El Monte	1	SGVCOG	10	$ 653,927

City/Sub-Region	Supervisorial District	Council of Government	Formula 2 # Value	90% 23/24 PIT Count + 5% ACS Families + 5% VLI RHNA
Compton	2	GCCOG	11	$ 615,168
Bell	1	GCCOG	12	$ 612,347
Montebello	1	SGVCOG	13	$ 594,184
Torrance	4	SBCCOG	14	$ 518,018
Glendale	5	SFVCOG	15	$ 498,857
Norwalk	4	GCCOG	16	$ 475,661
South Gate	1	GCCOG	17	$ 452,795
Baldwin Park	1	SGVCOG	18	$ 452,185
Irwindale	1	SGVCOG	19	$ 435,967
Downey	4	GCCOG	20	$ 429,859

LSF Considerations

Effective, Efficient, Economical, and Equity-Focused Service Delivery

Policy Considerations

- ✓ **Entities:** Measure A does not specify distributing the LSF to Tribal entities, Metro, or other jurisdictions.
- ✓ **Pathway Home**: All measures do not account for the impact of Pathway Home (e.g. Signal Hill)
- ✓ **Funding Priorities & Parameters:** Housing & Prevention vs. outreach, case management, & liaisons
- ✓ **Programs with Similar Services:** local and regional duplication, role & service scope confusion
- ✓ **Co-Investment Match Requirements?**
- ✓ **Access and utilization of authoritative data systems (HMIS)**

Administrative Considerations

- ✓ **Efficient Contracting:** Development, administration, management, and monitoring.
- ✓ **Implementation Timeline**
- ✓ **Local program capacity**
- ✓ **Sub-regional programming:** COGS working with small member cities to leverage funding and maximize programming.
- ✓ **Historical Underspend**
- ✓ **Required Training on Homelessness, Homelessness services, & Sub-Recipient Contracting:** Enhanced Communication, Improved alignment, Strengthened Coordination

Local Solutions Fund

Implementation Process Milestones

CEO- HI researched, evaluated, and developed draft LSF formulas using measures of PEH

Briefed BOS' Offices on LSF Distribution and Disbursement options

CEO-Admin & County Council develop MA-LSF Template

Data Subcommittee will produce baseline metrics by January 15, 2025

Board determines formula, and CEO-HI holds LSF Information sessions.

DHS, DMH, LAHSA, and A-C provides Jurisdictional Homeless and Sub-Contracting Training Academy

Jurisdictions provide CEO-HI with draft Statements of Work and Pricing Schedules

Contract agreement review, approval, and execution process

December 2024	January 2025	February/March 2025	April 2025	May/June 2025

Request Auditor-Controller provide contract management control guidance

Inform cities & COGs of draft formulas & disbursement options

Survey Cities & COGs

ECHRA formulates baseline & target metrics no later than April 1, 2025

Jurisdictions are programming funds and providing CEO-HI with final Statements of Work and Pricing Schedules

Agreements executed within ## months (targeting July 1, 2025)

CEO-HI to provide advisory guidance and technical assistance to cities & COGs.