FAQs: Measure A and the Local Solutions Fund (LSF)

This FAQ addresses common questions about Measure A and the Local Solutions Fund. For more detailed information, including essential documents and resources, please visit the <u>Local Jurisdictions</u> page on the Los Angeles County Homeless Initiative website.

Overview of Measure A

1. What is Measure A?

Measure A, which will repeal and replace Measure H as of April 1, 2025, is an ongoing half-cent sales tax approved by voters on November 5, 2024. Measure A will enable continued progress on addressing homelessness with housing and services while expanding funding to address the main drivers of homelessness through affordable housing construction and preservation, homelessness prevention, and support for vulnerable renters. Unlike Measure H, the ballot language specifically prescribes the distribution of funding to the County of Los Angeles, the Los Angeles County Development Authority, and the Housing Agency to achieve its goals.

2. How does Measure A differ from Measure H?

In addition to replacing Measure H's quarter-cent sales tax with a half-cent tax, Measure A sustains existing critical services previously funded by Measure H while enhancing funding for local solutions to address structural budget gaps, support innovative solutions, and adapt to evolving community needs. It emphasizes oversight and accountability with annual independent audits and a Universal Data and Accountability Plan to track progress. Goals include reducing unsheltered homelessness by moving more people from encampments into permanent housing, reducing the number of people with mental illness and/or substance use disorders who experience homelessness, increasing the number of people permanently leaving homelessness, preventing people from falling into homelessness, and increasing the number of affordable housing units in Los Angeles County.

Local Solutions Fund

3. What is the Local Solutions Fund?

The Local Solutions Fund (LSF) is an allocation of Measure A funding to Los Angeles County's 88 cities, six Councils of Government (COGs), and to the County on behalf of over 120 unincorporated areas, to fund programs consistent with the purposes enumerated in paragraph C of Measure A, or for purposes enumerated in Government Code section 64700 et seq (L.A. County Affordable Housing Solutions Agency). Jurisdictions that receive, use, or participate in programs funded by the Measure A LSF through an agreement with the County or via a COG – must adhere to Measure A's conditions, including

demonstrating progress toward meeting its goals and target metrics and incorporating best practices for standardization of care.

4. How much funding does the LSF provide?

As of November 2024, the LSF is projected to distribute \$96,363,637 annually, which, per Measure A's requirement, represents at least 15% of the Comprehensive Homelessness Services funding. The amount is subject to change based on updated revenue projections.

5. Which jurisdictions are eligible for the LSF?

All 88 cities in Los Angeles County, COGs, and/or the County on behalf of its unincorporated areas are eligible to receive or benefit from the LSF funds. Funds allocated for the LSF will be distributed to the County for disbursement to cities and/or COGs within the County. Cities, COGs, and the County that receive or benefit from LSF allocations – whether directly from the County or via a COG – must adhere to Measure A's requirements and conditions, including but not limited to its reporting, data sharing, evaluation, oversight, and audit requirements. Funding Recipients retain the autonomy to refuse funding under Measure A to avoid any unwelcome conditions on that funding (Section 32).

6. What is the LSF formula?

On March 25th, the Board of Supervisors adopted an LSF formula based on CEO-HI's research and evaluation of viable measures of people experiencing homelessness and input from local jurisdictions. The LSF formula is:

- 90% from a Multi-Year Average PIT Count (averaging the last two years and updating to a three-year average in future years); and
- 10% from ACS Data as a proxy for doubled-up student homelessness.

This balanced formula allocates funding primarily based on a multi-year average of the most recent PIT Counts, as requested by all stakeholders who participated in the stakeholder engagement process. This approach directs a majority of funding to the cities, COGs,\and unincorporated areas with the largest PIT Counts while providing funding that acknowledges the deep family impoverishment that drives housing insecurity and doubled-up student homelessness across all cities in the County.

7. How is equity embedded in the formula?

Equity was explicitly considered in evaluating the impact of different measures and the influence of the formula option.

- Using Multi-Year Average PIT Counts provides stable funding for jurisdictions with sustained high levels of homelessness.
- Incorporating the ACS proxy account for deep family impoverishment and a proxy for doubled-up households, addressing gaps in HUD's definition that disproportionately impact families and undercount hidden homelessness.

8. Was there ever a consideration to analyze or include each of the cities' sales tax contributions as one of the LSF measures? If not, why?

Measure A explicitly states that the LSF should be allocated based on "a formula based on the point-in-time count required by the United States Department of Housing and Urban Development and/or <u>similar measures of people experiencing homelessness</u>." Sales tax revenue is not a measure of homelessness, nor does it align with the intent of Measure A.

Sales tax is a consumer tax imposed on the sale of goods and services. While it can indicate economic activity in a city — reflecting where residents, visitors, and businesses spend money — it does not measure homelessness or housing instability.

Measure A was passed by LA County voters with a clear intent: to direct LSF funding based on people experiencing homelessness, not economic activity or taxable sales. Allocating LSF based on sales tax contributions would contradict both the law and the fundamental goals of addressing homelessness.

Implementation and Accountability

9. How will funds be distributed and disbursed?

CEO will enter into agreements with Direct Local Jurisdiction Funding Recipients (i.e. cities with the highest allocations and capacity to administer programs; cities without a COG or COG participation; or COGs on behalf of remaining cities). CEO will execute agreements on behalf of the Board for its unincorporated areas. COGs have the flexibility to decide how to administer their share of the Local Solutions Fund allocation with the remaining membered cities, as long as it complies with Measure A, including the required metrics and regional plan adopted by the County Board. Additionally, all recipients must follow any oversight, accountability, and monitoring requirements in the Local Solutions Fund agreements and pass down such provisions as required by Measure A to all sub-recipients, contractors, and subcontractors. All sub-recipient, contractor, and subcontractor agreements must be provided to the CEO.

10. What programs can LSF funds support?

Programs funded by Measure A should contribute to the goals stated in paragraph A of section 4 by demonstrating progress from the baseline metrics toward target metrics. Services funded should complement and create connections to mainstream safety net programs supported by other funds from the County, state, and federal governments, including connections to medical and mental health care supported by state and federal programs as well as other entitlement programs. The County has compiled and posted a list of eligible uses of Measure A which can be accessed at <a href="https://linearcharm.new.org/li

11. How is accountability ensured for LSF funds?

All distributions of funds under Measure A are conditioned on the Funding Recipient accepting the Measure A conditions. The Measure's definition of "Funding Recipient" explicitly includes cities and councils of government as well as any public agency or city that receives funding from Measure A. Measure A funds will have enhanced oversight, monitoring, and reporting to ensure that funding recipients, including the County, COGs, and cities, properly enforce and follow these requirements (Sections 5 and 6)

Timeline and Operational Details

12. What is the timeline to implement Measure A agreements?

We understand this is a complex transition as we switch from Measure H to Measure A, and we appreciate adhering to the following condensed timeline so we can execute timely agreements by July 1st. To achieve that objective, we are aiming for the following milestones:

- CEO-HI shares Board adopted Measure A Formula Allocations and guidance on Measure A LSF Eligible Uses by March 26th.
- CEO-HI will begin to work with Direct Local Jurisdiction Funding Recipients.
- CEO-HI will host an information session on the LSF for all jurisdictions on April 3rd.
- Direct Local Jurisdiction Funding Recipients submit clean Statements of Work ("SOWs") and budgets that are consistent with the allowable uses by April 15th.
- CEO-HI finalizes those SOWs and Budgets by April 30th and sends them to each jurisdiction to sign by May 1st.
- Direct Local jurisdiction Funding Recipients return signed agreements to CEO-HI by June 1st.
- CEO, on behalf of the County, fully executes the agreement by June 30th.