

LA County Department of Homeless Services and Housing



August 28, 2025

Homeless Services System Funding Reductions and their Impact

We recognize the deep concern in our community about recent reductions in federal, state, and local funding for homeless services and housing. We will continue to partner closely with service providers, people with lived expertise, cities and unincorporated communities across the region, and other stakeholders to navigate these challenges collaboratively while centering the needs of people experiencing homelessness.

The impact of these funding curtailments is such that compared to recent years, there are currently fewer resources available within the homeless response system to meet the needs of our unhoused neighbors. When interacting with people experiencing homelessness for whom services have been discontinued or reduced, providers and others have been instructed to: (1) acknowledge the individual's experience; (2) explain the current constraints with transparency and empathy; and (3) proactively connect them to mainstream resources and County supports that can still offer relief.

There have been significant funding reductions in the following areas: homelessness prevention, access centers, interim housing, housing navigation, and permanent housing, including the Time-Limited Subsidy (TLS) program as well as the Public Housing Authorities' (PHA) Tenant-Based Voucher (TBV) programs.

As a result of these reductions, the following impacts have begun to emerge and may continue in coming years:

- A reduction in permanent housing placements due to reduced funding in permanent housing rental subsidy programs.
- A decrease in beds at interim housing sites due to interim housing funding reductions.

- More limited options for unsheltered people to transition indoors due to fewer people leaving interim housing for permanent housing solutions.
- Service providers have diminished capacity to serve all households seeking assistance at access centers or other programs/sites due to funding reductions.

To mitigate the impact of these significant funding curtailments, LA's regional homeless services system is taking the following actions:

- Supporting people with accessing County and other mainstream services and providing information about specialized resources. <u>Get Help - Homeless Initiative</u> includes a detailed list of available resources and is updated frequently.
- Educating service providers about specialized resources that are available for participants who have eligible behavioral health conditions, which the County is currently expanding pursuant to a legal settlement.
- Intensify advocacy at all levels of government to restore and increase the availability of resources to meet the needs of our unhoused neighbors.

The 2025 Homeless Count data indicated a meaningful reduction in homelessness in Los Angeles County, demonstrating that our collective strategies work. While current funding reductions pose a challenge, we will not allow them to reverse our progress. All system partners will continue to seek creative solutions to optimize the resources that we do have, including mainstream County services, problem solving, and efforts to increase individuals' income and employment opportunities.