



Updates on the new LA County Department of Homeless Services and Housing



FREQUENTLY ASKED QUESTIONS

Department of Homeless Services and Housing
FY 2026-27 Spending Plan
Last updated September 29, 2025

What is Measure A?

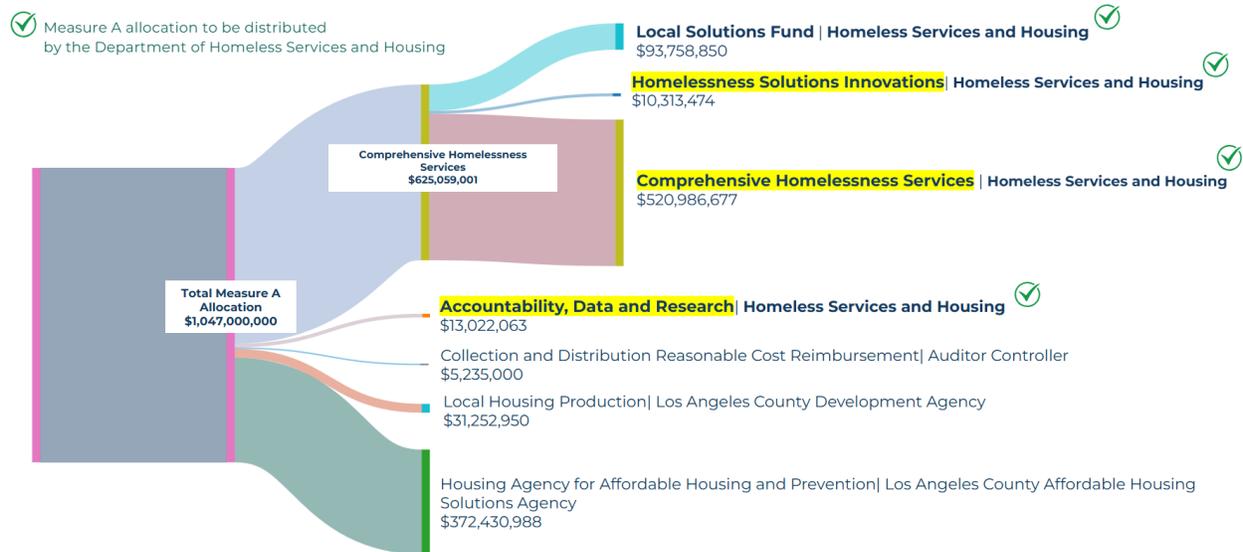
Measure A is a half-cent countywide sales tax approved by LA County voters in November 2024. It funds housing, services, and prevention programs for people experiencing or at risk of homelessness. It addresses the root causes of homelessness, strengthens collaboration across agencies implementing Measure A funding, and increases transparency and accountability. For more about Measure A, [click here](#).

How are Measure A funds allocated within the Department of Homeless Services and Housing?

The Measure A revenue the department administers falls within four buckets:

- Local Solutions Fund*
- Homelessness Solutions Innovations
- Comprehensive Homelessness Services
- Accountability, Data and Research

The graph below shows the projected proportion of Measure A revenue that the new department will administer in FY 2026-27.



Note: We do not determine how Local Solutions Funds are spent, but we allocate this funding to local jurisdictions and Councils of Governments.

How does the department spend Measure A funds?

The Department of Homeless Services and Housing allocates the vast majority of our funding on programs that house people in interim and permanent housing. This year we project to support over 29,000 people in permanent housing and 7,200 interim housing beds this year. We also support a wide array of programs to connect, stabilize and prevent homelessness. We project to reach 21,000 people who are unsheltered through our incredible outreach teams. Every one of these programs is critical to our communities, and we know that will not be able to support anywhere near this level of programming next year.

How much in Measure A funds will the department administer in FY 2026-27?

In FY 2026-27, the projected Measure A revenue included in the Spending Plan that will be administered by the Department of Homeless Services and Housing is about \$544M. (Note, this figure is not inclusive of any Measure A revenue to be administered by the LA County Affordable Housing Solutions Agency or the Los Angeles Community Development Agency. It also does not include the Local Solutions Fund, which is allocated to local jurisdictions and Councils of Government.) This is a decrease of \$15M in Measure A revenue from the previous (current) fiscal year. We are facing a significant deficit for the coming fiscal year and will need to make difficult decisions about how to fund our programs and services.

How much of a deficit is the department facing?

To maintain the programs funded in the current year while accounting for expected growth in Permanent Supportive Housing and interim housing bed, and assuming Pathway Home continues at its current level, we would need about **\$865 million**. Right now, we're projecting about \$544 million in Measure A revenue, plus an estimated 8% carryover from this fiscal year. This brings us to

roughly **\$562 million** and leaves us with a **\$303 million deficit for FY 2026-27**. This is approximately a one-third reduction from the approved FY 2025-26 budget. Put simply, this means we need to cut approximately one-third of our programs and services to balance next year's Spending Plan.

Why is the department facing a budget deficit?

We have to look at our entire system — beyond Measure A —to understand the deficit. There are multiple pressures on our system, including:

- *Decrease in sales tax revenue*: There is a projected shortfall in Measure A revenue in FY 2026-27 due to declining sales tax revenue driven by consumer spending habits.
- *Cost Increases*: There are several new or expanded cost obligations the department will face in FY 2026-27. These are non-negotiable cost increases that the new department must absorb, including:
 - The interim housing bed rate increase and Pathway Home, which were previously paid for with one-time funding.
 - Costs to fund our Permanent Supportive Housing and Interim Housing portfolios are expected to increase year as new beds come online, and we continue to support more people who are permanently housed.
 - Costs associated with provider wages, cost of living adjustments, and administrative allowances pursuant to Measure A.
- *Loss of state and federal funds*: There are many state and federal funding sources that have already been cut, or there are current proposals to cut.
 - These losses and reductions will impact both the Department of Homeless Services and Housing, and the homeless response system at large.
 - Some of these impacts are still unknown and we continue to monitor the situation as we receive more information.

For more details regarding the budget deficit, please view these [slides](#).

How is the department approaching the FY 2026-27 spending plan?

As we face a budget deficit, it is crucial that we stretch every dollar further. The region must make very hard choices about how we invest our limited resources and how we will fill huge gaps in our system that threaten people in housing today, people on the streets, and people who are at risk of homelessness.

Our first step is to establish a rubric outlining clear priorities and a shared process with our partners to guide funding decisions. The rubric will be a tool used to consistently evaluate programs and/or services against specific stakeholder-informed criteria to help inform strategic funding decisions in the Measure A Spending Plan process. Our goal with a clear rubric is to ensure collaboration and transparency with all our partners.

What is the process for developing the funding rubric?

Based on feedback received to date, our process for building the rubric has evolved into two phases:

- **Phase 1** applies the community-informed rubric to all currently funded programs and services. Rubric results will determine which programs will advance to Phase 2 for deeper evaluation.
- **Phase 2** will then combine qualitative and quantitative data and information to conduct more detailed program-level reviews to identify where further reductions or curtailments may be needed to align with available funding.

After the funding rubric is finalized at the end of September, we will begin applying it to our currently-funded programs and services. For more information about the rubric-development process, you can view these [slides](#) and watch a [recording](#) of department Director Sarah Mahin's presentation to the Homeless Policy Deputies on September 25.

How will community feedback be integrated into the final budget? What other opportunities are available for providing feedback during the budget process?

We deeply appreciate the commitment of our community partners in engaging thoughtfully and constructively in these difficult but necessary discussions about our Spending Plan.

- **September 2025:** We hosted community engagement forums throughout the month specifically focused on the development of the funding rubric to make strategic funding decisions. While in past years the conversation has centered around what to fund, this year we are asking community partners for feedback on what to cut in light of our fiscal realities. Throughout September, 719 individuals participated in 10 community engagement forums. Presentations and discussions were also held with key bodies such as the Executive Committee for Regional Homeless Alignment.
- **Late September 2025:** We presented the draft rubric and a spending plan update at multiple public meetings:
 - September 25, 2025 – Presented funding rubric at the Homeless Policy Deputies' Meeting*
 - September 26, 2026 – Presented spending plan update at the Executive Committee for Regional Homeless Alignment Meeting*
- **November 2025:** We will finalize the FY 2026-27 spending plan and present it at the Executive Committee for Regional Homeless Alignment Meeting*.
 - We will also host a public webinar to walk through the entire draft spending plan and create space for additional public feedback and/or questions.
- **December 2025:** We will present the draft Spending Plan and Board Letter at the Executive Committee for Regional Homeless Alignment*, the Leadership Table for Regional Homeless Alignment, and the Homeless Policy Deputies' meetings*.

- **January 2026:** We will present the Final FY 2026-27 Spending Plan at the Board of Supervisors meeting for consideration and approval.

**These meetings are open to the public for comment. For the Homeless Policy Deputies' Meeting agendas [click here](#), for Executive Committee for Regional Homeless Alignment meeting agendas [click here](#), and for Board of Supervisors meeting agendas [click here](#).*

In December, we will continue our year-round community engagement efforts, soliciting feedback to keep the lines of communications consistently open with community partners.

Where can I find out more about the FY26-27 spending plan?

You can view these [slides](#) with more detail and watch a [recording](#) of department Director Sarah Mahin's presentation to the Homeless Policy Deputies on September 25.