

April 22, 2025

The Honorable Councilmember Katy Yaroslavsky, Chair
Honorable Members of the Budget, Finance, and Innovation Committee
200 N. Spring Street
Los Angeles, CA 90012

Dear Chair Yaroslavsky:

The Los Angeles Homeless Services Authority (LAHSA) recognizes that despite this year's incredibly challenging financial environment, our proposed Fiscal Year 2025-26 budget remains committed to the homeless emergency response. With a 10% reduction in unsheltered homelessness in the 2024 Homeless Count and a projected continued reduction in 2025, the City of Los Angeles cannot afford to slow its efforts. That is why we respectfully urge you to consider the following critical priorities that ensure service continuity, staffing stability, program effectiveness. Our priority items directly impact our system's collective ability to respond to the crisis.

I. ADMINISTRATIVE RATE OF 15%

Administrative funds support LAHSA's core functions as system administrator, most importantly administering and overseeing grants and contracts and managing systemwide data infrastructure. These functions allow our City partners to witness the impact of their investments in real-time through such tools as LAHSA's new dashboards and other ongoing data reporting. Administrative funding also helps reduce contracting delays by enabling critical technological upgrades, software integrations, and modifications to the Enterprise Grants Management System (EGMS). It additionally supports the agency's required everyday functions, including utilities, facility expenses, finance, and payroll.

However, many additional City funding sources—such as the State's Homeless Housing, Assistance and Prevention (HHAP)—do not include administrative support. When all City funding is accounted for, LAHSA's effective administrative rate is just 4% in FY 24-25.

LAHSA requests that the current 15% administrative funding rate for City General funds be continued to support the staff and infrastructure needed to effectively track progress toward the City's goals and monitor program and contractor performance for all components that LAHSA administers (e.g., outreach, interim housing, time-limited subsidies, housing navigation, etc.).

II. EMERGENCY RESPONSE PROGRAM

LAHSA applauds the City of Los Angeles's funding of the Emergency Response Program this upcoming fiscal year. During the January wildfires, LAHSA deployed Homeless Engagement Teams (HETs) in real time to evacuate clients and connect them with critical resources, highlighting the need for a more formalized and responsive system. The redesigned Emergency Response Program allows for proactive and flexible responses, including motel vouchers, pop-up shelters, food, hygiene access, and transportation. With approximately 75 activations anticipated each year, this program would ensure that Los Angeles can quickly and effectively provide life-saving shelter and services during emergencies. We urge full funding for this more resilient and responsive system to protect our most vulnerable residents year-round.

LAHSA would like to clarify to your office, however, that the proposed budget supports only the Winter Shelter Program (WSP) component of the Emergency Response Program. WSP is a site-based program that operates annually from November to March. LAHSA looks forward to exploring opportunities to fund the full emergency response component of the program, so the City has the capacity to respond expeditiously to emergency events.

It is also important to note that the current proposed funding for the Winter Shelter Program is level compared to FY 24-25. Level funding does not account for the bed rate increase recently approved for City sites, so the current budget would require a reduction in available Winter Shelter beds in the upcoming year.

III. CITY HOMELESS ENGAGEMENT TEAMS

To address the system gaps caused by a fragmented service network, as identified by our elected office partners, LAHSA converted 10 Homeless Engagement Teams (HET) into System Navigators. Since this transition, these team members have supported hundreds of clients with securing a safe, stable bed in interim housing, obtaining the identification documents necessary to qualify for permanent housing, and connecting with income sources they qualify for. Additionally, HETs not only enroll clients in the Homeless Management Information System (HMIS) but also make initial referrals into the Coordinated Entry System (CES), supporting the first critical steps toward housing placement. LAHSA is also exploring ways to repurpose HETs to take on expanded responsibilities. To address the upcoming expiration of Roadmap funding, we are strategically integrating their responsibilities into existing case management, document readiness, housing navigation, and service coordination roles. This consolidation is actively improving efficiency by eliminating redundant efforts and maximizing our resources, ultimately speeding up the process of placing individuals in permanent housing.

In the proposed FY 25-26 budget, LAHSA faces significant reductions in HETs that operate throughout the City of Los Angeles. These teams currently fulfill LA-HOP requests, make referrals to interim housing, support with emergency response during inclement weather events, connect City residents to mainstream services, and support with gathering documentation needed for permanent supportive housing placement. LAHSA requests to reinstate these teams so City residents experiencing homelessness do not face interruptions in service connectivity that get them closer to housing. Further, LAHSA requests that funding not be placed this fiscal year in the Unappropriated Balance account, as this impacts strategic planning as well as staff recruitment and retention when funding is not guaranteed for at least a year.

IV. HOMELESS COUNT

The Point-In-Time Homeless Count is a Department of Housing & Urban Development (HUD)-mandated activity that requires investment from our Joint Powers Authority (JPA) partners. This effort demands robust staffing and advanced data integration tools to ensure a smooth and accurate count. Any reduction in support risks compromising the accuracy and efficiency of our enumeration efforts.

In the proposed FY 25-26 budget, there is a reduction in Homeless Count funding of \$21,665 compared to FY 24-25. Costs associated with the Homeless Count typically exceed what is granted by LAHSA's JPA partners, but we supplement this deficit by pulling from our administrative funding. With anticipated administrative funding reductions from the County of Los Angeles (due to reductions in Measure A funding unrelated to the County's motion), it is more critical than ever that Homeless Count funding from both partners at least matches last year's funding amount. Additionally, any reduction further amplifies our call to retain a 15% administrative rate should Homeless Count funding be reduced in the coming fiscal year.

V. CES NAVIGATION CENTERS

LAHSA's CES Navigation Centers are a cornerstone of the region's homeless services system, offering centralized access to housing assessments, supportive services, and vital resources like transportation and documentation assistance. As part of the Coordinated Entry System, these centers ensure individuals can navigate the path to permanent housing more efficiently. Maintaining level funding is essential to preserve the current capacity of these centers, sustain service delivery, and continue supporting the steady flow of individuals moving from homelessness into housing without disruption to this critical infrastructure.

LAHSA requested an increase in its Navigation Center budget after discussions with Council Offices revealed a need to increase the funding applied to one of the sites it administers to account for inflationary costs that have made operating the site cost-prohibitive.

VI. LAHSA VOLUNTARY AND INVOLUNTARY STORAGE PROGRAM

LAHSA's Voluntary and Involuntary Storage programs face a proposed reduction in funding for FY 2025-2026. These programs are essential services that create greater opportunities for people experiencing homelessness to safeguard their belongings. For people experiencing homelessness, losing personal items often means losing medication, ID, documents, and priceless personal items. Voluntary storage allows people experiencing homelessness to store personal belongings securely while they attend medical appointments, job interviews, or access shelter services. Individuals who may have been too concerned about their belongings to enter a shelter, can access shelter more easily with a place to store their valuable belongings. Involuntary storage ensures these items are not permanently lost when there are encampment resolution efforts that might otherwise result in the loss of invaluable property for people experiencing homelessness.

In closing, on behalf of LAHSA, I appreciate your continued commitment to addressing homelessness in Los Angeles. By considering our requests, we will make further progress toward this shared goal. Thank you for your leadership and ongoing partnership. If you have any questions, please feel free to contact me at valecia.adamskellum@LAHSA.org.

Sincerely,



Dr. Va Lecia Adams Kellum
Chief Executive Officer
Los Angeles Homeless Authority