

SUBJECT: **UPDATE ON THE CREATION OF A NEW COUNTY
DEPARTMENT ON HOMELESSNESS AND THE REDUCTION OF
MEASURE A LOCAL SOLUTIONS FUNDING**

PREPARED BY: **HUMAN SERVICES & RENT STABILIZATION DEPARTMENT**

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STATEMENT ON THE SUBJECT:

The City of West Hollywood Subcommittee on Homelessness will receive updates on Los Angeles County's efforts to establish a new department for homeless services and on recent Measure A funding decisions that will reduce the amount of Local Solutions Funding provided to the City to address homelessness.

RECOMMENDATION:

Receive and file.

BACKGROUND / ANALYSIS:

This report provides an overview of recent County-led reforms to Los Angeles County's homelessness governance and funding structures, with a focus on implications for the City of West Hollywood. Specifically, it (1) describes the **structural reform** and planned rollout of a new County department focused on homelessness services and the evolving role of LAHSA; (2) explains the **projected impact on local funding** due to changes to the Local Solutions Fund (LSF) allocation model under Measure A and its; and (3) highlights the **anticipated local impact and next steps** for City staff, including engagement opportunities, partnership development, and ongoing monitoring efforts.

1. Structural Reform to County Department

Over the past several years, Los Angeles County has been working toward a more coordinated, accountable, and effective system to address homelessness. This effort accelerated with the establishment of the Blue Ribbon Commission on Homelessness (BRCH) in 2021, which was tasked with evaluating the current governance structure and identifying reforms to improve regional service delivery. In 2022, the Board of Supervisors adopted the Commission's seven recommendations, which included establishing a new County department dedicated to administering homeless services.

The need for structural reform gained urgency following the passage of Measure A in November 2024. This voter-approved measure provides an ongoing revenue source to fund homelessness services, prevention, and housing. It also emphasizes public accountability, transparency, and performance-based funding. In response, on November 26, 2024, the Board of Supervisors directed the Chief Executive Officer (CEO) to evaluate the feasibility of implementing two core BRCH recommendations: first, to create a centralized County department on homelessness; and second, to streamline the role of the Los Angeles Homeless Services Authority (LAHSA) by focusing it solely on its functions as the lead agency for the federal Continuum of Care.

In February 2025, the CEO presented a comprehensive report confirming the feasibility of creating the new department; the report outlined a phased implementation plan to establish what was tentatively being referred to as the Department of Housing Pathways and Supportive Services. The CEO proposed for the new department to consolidate the work currently housed within the CEO's Homeless Initiative and the Department of Health Services' Housing for Health division. Over time, the proposal called for the new department to also absorb County-funded programs now administered by LAHSA, including interim housing, outreach, prevention, and rapid rehousing services.

On April 1, 2025, the Board formally approved implementation of the department as outlined in the CEO's report. At the April 1 meeting, the Board voted 4–0, with one abstention, to approve a motion implementing core aspects of the CEO's feasibility report.

While the CEO's plan currently refers to the "Department of Housing Pathways and Supportive Services," some Supervisors proposed alternate names—such as "Department of Housing for Health."

The Board emphasized that these structural changes must avoid service disruptions, maintain timely payments to providers, and improve overall accountability. Board members also highlighted the importance of working in close partnership with all 88 cities to ensure a seamless transition.

A transitional administrative team is currently being assembled to begin early coordination and operational design. The department will be created in three phases:

- **Phase I**, currently underway, involves integrating the County CEO's Homeless Initiative and the Department of Health Services' Housing for Health division. These two teams already oversee a substantial portion of County homelessness programming and funding. The goal is to have this merged team establish the new department's core administrative structure by January 1, 2026.
- **Phase II**, expected to continue through the end of the next fiscal year (June 30, 2026), will focus on transferring County-funded programs currently administered by LAHSA into the new department. These include outreach, interim housing, prevention, and rapid rehousing services. LAHSA itself will continue serving as the lead for the regional Continuum of Care and will retain responsibilities such as managing the Coordinated Entry System (CES), Homeless Management Information System (HMIS), and the annual homeless count.
- **Phase III**, which does not yet have a set timeline, will assess and potentially transition additional programs from other County departments into the new department if doing so improves efficiency or service delivery. These programs may include behavioral health, reentry, and veterans services programs that specifically serve unhoused persons.

The establishment of a new County department focused on homelessness represents a foundational shift in how Los Angeles County organizes, funds, and oversees its

homelessness response. Rather than continuing with a decentralized structure, the new department is intended to centralize core functions and address longstanding challenges related to fragmentation, contract administration, and program accountability. The department will serve as the primary entity for delivering and managing County-funded homelessness services, with the aim of improving coordination across agencies, enhancing service integration, and aligning funding strategies to maximize impact.

The new department is being designed to achieve several high-level goals:

- Consolidate oversight of homelessness services currently spread across County departments and LAHSA to ensure greater consistency, accountability, and clarity.
- Streamline contracting and administrative processes for service providers to reduce bureaucratic delays and ease the administrative burden on nonprofits and community partners.
- Improve service delivery outcomes by more effectively integrating housing, health, and supportive services, particularly for individuals with complex needs.
- Enhance data transparency and reporting, including performance dashboards, public expenditure reports, and clearly defined metrics to evaluate the use of public funds.

Throughout Board deliberations, Supervisors underscored the importance of clear performance measures—such as reduction in average time spent unhoused, throughput into permanent housing, and timely provider payments. The new department will be tasked with publicly reporting outcomes through improved data infrastructure and dashboards, building on existing models like Housing for Health’s case management systems and recent County audit recommendations.

By centralizing these functions, the County aims to build a more responsive, coordinated, and accountable system that can scale interventions and achieve measurable results in reducing homelessness.

2. Changes to County Funding Allocations for Homelessness:

The information below reflects staff's current understanding of the funding allocation and distribution method for the Local Solutions Fund (LSF) under Measure A. As guidance from the County continues to evolve, staff will update the Subcommittee as more information becomes available.

On March 25, 2025, the Los Angeles County Board of Supervisors approved the FY 2025–26 spending plan for Measure A, which provides a permanent funding source for homelessness services, prevention, and housing. The adopted budget includes investments across a wide range of categories, including interim and permanent housing, supportive services, outreach, prevention efforts, and system coordination. The plan reflects both programmatic priorities and structural reforms designed to improve service integration and performance across the region.

As part of the new funding structure, the Board approved a formula for allocating Local Solutions Fund (LSF) monies to support city-led strategies to address homelessness. The LSF represents approximately 15% of the total Measure A budget, or roughly \$96 million in FY 2025-26. Cities may use these funds for a range of eligible activities, including interim housing, outreach, homelessness prevention, and housing navigation.

This is a significant departure from the previous model under Measure H, where LSF dollars were distributed to Councils of Governments (COGs), which then allocated funds among their member jurisdictions. For West Hollywood, this meant that the Westside Cities COG (WSCCOG) received LSF allocations on behalf of its member cities and opted to distribute those funds equally among member cities.

Under Measure A, the County has shifted to a direct-to-city funding model. On March 25, the Board unanimously adopted a new formula to guide the distribution of LSF funds across all 88 cities and unincorporated areas. This formula weights funding as follows:

- 90% based on each city's two-year average Point-in-Time count (2023-2024), and

- 10% based on a Census-based proxy for undercounted populations, such as students experiencing homelessness.

This model was selected over other proposals because it resulted in higher funding amounts for the majority of cities (68 out of 88). West Hollywood is one of the minority cities that will receive substantially lower funding under the new allocation formula.

Under the approved formula, the City of West Hollywood is projected to receive \$157,000 in LSF funding for FY 2025-26. This represents a reduction compared to previous years under Measure H-era funding, when the City received approximately \$400,000 annually through WSCCOG's equal-share model. The lower allocation reflects West Hollywood's smaller geographic size and lower Point-In-Time count relative to other cities in the region.

3. Anticipated Local Impact and Next Steps

The creation of a County department focused on homelessness and the early stages of Measure A implementation represent a significant shift in how services will be structured, funded, and coordinated across Los Angeles County. While the long-term implications are not yet fully known, these changes present both opportunities and challenges for cities, including West Hollywood.

At this time, staff anticipates that:

- New partnership structures may emerge as County services are realigned under the new department.
- Ongoing city engagement in regional planning processes will be essential to ensure West Hollywood's needs and priorities are reflected in future County decisions.

City staff will continue to:

- Monitor implementation progress, including staffing, budget development, and stakeholder engagement activities related to the new department.

- Participate in County-led planning processes to represent West Hollywood's priorities and share lessons learned from the City's local efforts.
- Track funding developments, particularly those concerning LSF allocations and Measure A-supported service expansions.
- Report back to City Council as additional information becomes available on the department's operations and the potential for collaborative models between the City and County.

CONFORMANCE WITH VISION 2020 AND THE GOALS OF THE WEST HOLLYWOOD

GENERAL PLAN:

This item is consistent with the Primary Strategic Goal(s) (PSG) and/or Ongoing Strategic Program(s) (OSP) of:

- OSP-5: Support People through Social Services.

In addition, this item is compliant with the following goal(s) of the West Hollywood General Plan:

- HS-1: Maintain and pursue humane social policies and social services that address the needs of the community.

EVALUATION PROCESSES:

N/A

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

N/A

COMMUNITY ENGAGEMENT:

N/A

OFFICE OF PRIMARY RESPONSIBILITY:

HUMAN SERVICES & RENT STABILIZATION DEPARTMENT / HUMAN SERVICES DIVISION

FISCAL IMPACT:

None at this time.

ATTACHMENT:

None at this time.