

MOTION

A report released November 19, 2024 by the LA County Auditor-Controller reviewing the Los Angeles Homeless Services Authority (LAHSA) Finance, Contracts, Risk Management, and Grants Management and Compliance units stated that \$50.8M of Measure H funds were advanced to nonprofit service providers in FY 2017-18 without formal agreements to determine how and when the funds would be repaid. As a result, while LAHSA indicated they initiated efforts to recoup the funds in FY 2023-24, some subrecipients cited cash flow issues, and LAHSA only recovered approximately \$2.5M (5%) as of July 8, 2024.

The report further indicated \$8M in outstanding advances were issued to subrecipients for the City of Los Angeles (City), the County of Los Angeles (County), and State programs that were carried over from FYs 2016-17 through 2022-23. Of the \$8M, the report states approximately \$409,000 is with six subrecipients who no longer contract with LAHSA. Moreover, it was noted by auditors that LAHSA had allegedly misused funds by taking money from one government funder "to pay for services provided under another government funder's contract/grant."

As cited in Motion, Rodriguez-Padilla (Council File 24-0330), the City Administrative Officer (CAO), the Housing Department (LAHD), and the Mayor's Office each dedicate significant staff time and City resources to coordinating and managing overlapping homelessness interventions. While the CAO and Mayor's Office engage more in service coordination and delivery of services, LAHD administers the City's contractual relationship with LAHSA. In effect, this system has placed a barrier between City oversight and the service provision occurring under the auspices of City funding. Further, monthly revisions to programs and budgets result in on-going, exhaustive contract amendments that slash departmental capacity to monitor contract compliance.

As the Council awaits the report on the steps for the creation of a Department of Homelessness, it is clear that the alleged mismanagement of public funds, reportable outcomes, metrics and lack of consequences for failure to perform associated with the services contracted by homeless service providers and LAHSA requires an expeditions review of immediate actionable steps to provide City oversight of the programs it funds.

I THEREFORE MOVE that Council directs the Chief Legislative Analyst (CLA), with the assistance of the City Administrative Officer (CAO) and the Los Angeles Housing Department (LAHD) to report to on how the City of Los Angeles can directly contract with Service Providers on all programs we currently fund. This would allow the City to bypass the Los Angeles Homeless Service Authority (LAHSA) who historically administers all programs.

PRESENTED BY:

SECONDED BY:


MONICA RODRIGUEZ
Councilwoman, 7th District


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