Keri Curtis Axel (Bar No. 186847)
kaxel@waymakerlaw.com
Scott M. Malzahn (Bar No. 229204)
smalzahn@waymakerlaw.com
Ashley E. Martabano (Bar No. 236357)
amartabano@waymakerlaw.com
WAYMAKER LLP
515 S. Flower Street, Suite 3500
Los Angeles, California 90071
Telephone: (424) 652-7800
Facsimile: (424) 652-7850

Christopher Pelham (Bar No. 241068)
christopher.pelham@nortonrosefulbright.com
Abigail G. Urquhart (Bar No. 310547)
abigail.urquhart@nortonrosefulbright.com
Alex Scandroli (Bar No. 345278)
alex.scandroli@nortonrosefulbright.com
NORTON ROSE FULBRIGHT US LLP
555 South Flower Street, Forty-First Floor
Los Angeles, California 90071
Telephone: (213) 892-9200
Facsimile: (213) 892-9494

Attorneys for Plaintiff
Los Angeles Homeless Services Authority

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

LOS ANGELES HOMELESS SERVICES AUTHORITY, a joint powers authority, Plaintiff, v. DONALD J. TRUMP, in his official capacity as President of the United States of America; UNITED STATES DEPARTMENT OF HOUSING AND	Case No.: 2:26-cv-7056-DOC-AJR **PLAINTIFF LOS ANGELES HOMELESS SERVICES AUTHORITY'S *EX PARTE* APPLICATION TO EXCEED PAGE AND WORD LIMITS FOR REPLY BRIEF IN SUPPORT OF APPLICATION FOR PRELIMINARY RELIEF** **DECLARATION OF SCOTT M. MALZAHN IN SUPPORT**

URBAN DEVELOPMENT; SCOTT TURNER, in his official capacity as the Secretary of the U.S. Department of Housing and Urban Development; and DOES 1-10,

Defendants.

Hearing Date: August 6,2026
Hearing Time: 9:00am
Honorable David O. Carter

Plaintiff Los Angeles Homeless Services Authority ("LAHSA") hereby submits this *ex parte* application for an order granting LAHSA permission to exceed the Central District of California's 7,000 word limit, and this Court's local rule imposing a 10-page limit, for its Reply in Support of *Ex Parte* Application for Preliminary Relief under 5 U.S.C. § 705, for a Temporary Restraining Order, and for Preliminary Injunction (the "Reply").

The Local Rules of the U.S. District Court for the Central District of California state that "[e]xcept as otherwise provided in this rule or ordered by a judge, no memorandum of points and authorities, pretrial brief, trial brief, or posttrial brief may exceed 7,000 words, including headings, footnotes, and quotations but excluding the caption, the table of contents, the table of authorities, the signature block, the certification required by L.R. 11-6.2, and any indices and exhibits." *See* L.R. 11-6.1. This Court typically imposes a 10-page limit on replies.

LAHSA's Reply in Support of Application for Preliminary Relief is 25 pages, and approximately 8,500 words. Because the Reply exceeds the limits imposed by the Central District and this Court's Local Rules, LAHSA requests leave of Court to file an overlong brief. The additional length is necessary to properly address all facts and develop LAHSA's arguments, which concern complex areas of constitutional, statutory, regulatory, and administrative law, applied to complex facts concerning the entire Southern California regional infrastructure for homeless services. The Reply also addresses new facts that have come to light since LAHSA filed the application, in the form of HUD's July 16 announcement of a new funding opportunity for Los Angeles. LAHSA also addresses this in a Second Declaration of Jessica Reed.

LAHSA has undertaken every effort to keep the Reply at a reasonable length given the breadth of material it covers. However, the additional space is necessary to fully brief the Court on the issues, which center around the critically important public policy topic of funding homelessness services in Los Angeles. LAHSA's opening brief was 50 pages; the opposition brief filed by the United States Department of Housing and Urban Development ("HUD") was 33 pages.

This Court has the "full discretion to grant leave to exceed the page [and word] limits set forth in the Local Civil Rules[.]" *Traylor Bros., Inc. v. San Diego Unified Port Dist.*, 2012 WL 1019966, at *2 (S.D. Cal. Mar. 26, 2012) (citing *United States v. W.R. Grace*, 526 F.3d 499, 509 (9th Cir. 2008) (en banc)); *see also Ward v. Cal. Dep't of Corr. and Rehab.*, 2013 WL 12246625, at *4 (C.D. Cal. June 26, 2013) ("A court has broad discretion to depart from the Local Rules.") (citing *Ball v. Colco–Tylerton, L.P.*, 2002 WL 32985907, at *2 (C.D. Cal. Oct. 23, 2002)). Granting leave to file an enlarged brief is appropriate where, as LAHSA does here, "the movant adequately explains the need for additional pages." *Siegler v. Sorrento Therapeutics, Inc.*, 2019 WL 4261054, at *2 (S.D. Cal. Sept. 9, 2019).

LAHSA's request to file an enlarged brief is warranted here because the factual and legal issues presented in the reply brief are deeply complex and touch on critical issues of public policy. *Hoopa Valley Tribe v. United States Bureau of Reclamation*, 2023 WL 3481144, at *1 (E.D. Cal. May 16, 2023) (court permitting parties to "significantly exceed standard page limits" in a "highly complex case addressing a range of issues" stemming from claims that the government violated federal water use laws).

Here, the facts surrounding LAHSA's function in the homeless services infrastructure are highly intricate. The brief is supported by over a dozen declarations that cover broad subject matters, such as LAHSA's various responsibilities to the federal and local governments and other stakeholders, LAHSA's maintenance of key databases, and the impact of potential suspension on LAHSA's subgrantees. The brief is also supported by over two thousand pages of exhibits that cover extensive subject areas, including audit reports, program assessments and governmental communications. Additional length is necessary to marshal these facts in reply to HUD's opposition, particularly where HUD's opposition is full of broad, conclusory allegations. LAHSA was required to analyze audit reports and program practices, among other things.

Finally, to address LAHSA's likelihood to succeed on the merits, the Reply was required to address several different legal tests, and explain and analyze two different regulatory framework regarding both HUD and OMB suspension regulations. It delves into complex interrelated areas of constitutional, statutory and regulatory law. The reply also presents a wide array of responses to Defendants' denial of violations and their subsequent effect.

LAHSA respectfully submits that its enlarged brief will aid the Court in understanding these critical issues. *See also Bunda Market Inc. v. Caffebene Inc.*, 2015 WL 13915011, at *1, n.1 (C.D. Cal. Sept. 14, 2015) (granting leave to exceed 20 page limit by seven pages in "the interest of considering the merits of the dispute[.]"). Defendants would suffer no prejudice from the relief requested.

Pursuant to Local Rule 7-19.1, on the evening of July 20, 2026, plaintiff's counsel notified local counsel, AUSA Alexander L. Farrell, of LAHSA's request for an overlong brief. (*See* Declaration of Scott M. Malzahn (the "Malzahn Decl."), ¶ 3.) At the time of this filing, LAHSA had not heard back. (*Id.*) HUD previously opposed LAHSA's request for an enlarged brief.

This *ex parte* application is based on this application, the Malzahn Decl., all other papers and pleadings on file with this Court, including plaintiff's *Ex Parte* Application for Preliminary Relief, and all other matters of which this Court may take judicial notice.

DATED: July 20, 2026 WAYMAKER LLP

By: */s/ Keri Curtis Axel*
KERI CURTIS AXEL
Attorneys for Plaintiff

DATED: July 20, 2026

NORTON ROSE FULBRIGHT US LLP

By: */s/ Christopher Pelham*
Christopher Pelham
Attorneys for Plaintiff

Keri Curtis Axel (Bar No. 186847)
kaxel@waymakerlaw.com
Scott M. Malzahn (Bar No. 229204)
smalzahn@waymakerlaw.com
Ashley E. Martabano (Bar No. 236357)
amartabano@waymakerlaw.com
WAYMAKER LLP
515 S. Flower Street, Suite 3500
Los Angeles, California 90071
Telephone: (424) 652-7800
Facsimile: (424) 652-7850

Christopher Pelham (Bar No. 241068)
christopher.pelham@nortonrosefulbright.com
Abigail G. Urquhart (Bar No. 310547)
abigail.urquhart@nortonrosefulbright.com
Alex Scandroli (Bar No. 345278)
alex.scandroli@nortonrosefulbright.com
NORTON ROSE FULBRIGHT US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, California 90071
Telephone: (213) 892-9200
Facsimile: (213) 892-9494

Attorneys for Plaintiff
Los Angeles Homeless Services Authority

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

LOS ANGELES HOMELESS SERVICES AUTHORITY, a joint powers authority,

Plaintiff,

v.

DONALD J. TRUMP, in his official capacity as President of the United States of America; UNITED STATES

Case No.: 2:26-cv-7056-DOC-AJR

DECLARATION OF SCOTT M. MALZAHN IN SUPPORT OF PLAINTIFFS *EX PARTE* APPLICATION TO EXCEED PAGE AND WORD LIMITS FOR REPLY BRIEF IN SUPPORT OF APPLICATION FOR PRELIMINARY RELIEF

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; SCOTT TURNER, in his official capacity as the Secretary of the U.S. Department of Housing and Urban Development; and DOES 1-10,

Defendants.

DECLARATION OF SCOTT M. MALZAHN

I, Scott M. Malzahn, declare as follows:

1. I am an attorney licensed to practice in the State of California. I am a partner with Waymaker LLP ("Waymaker"), counsel to plaintiff Los Angeles Homeless Services Authority ("plaintiff" or "LAHSA") in this action. I make this Declaration in support of plaintiff's *Ex Parte* Application to Exceed the Page Limit (the "Application for Enlarged Brief") on plaintiff's Reply to its Application for Preliminary Relief under 5 U.S.C. § 705, for a Temporary Restraining Order, and for Preliminary Injunction (the "Reply").

2. I have personal knowledge of the facts set forth herein and if called as a witness I could and would testify competently thereto.

3. In compliance with Local Rule 7-19.1, and this Court's rules, on July 20, 2026, my colleague, Keri Curtis Axel, copied me on an email notifying AUSA Alexander Farrell, counsel for the defendants, of the date and substance of the Application for Enlarged Brief. Ms. Axel also asked whether defendants intended to oppose the Application. Ms. Axel did not copy all counsel because the email was inadvertently sent after business hours, thus only counsel in the Pacific Time Zone was copied. At the time of this filing, Mr. Farrell had not yet responded to state whether defendants intended to oppose this Application.

4. To the best of my knowledge, the last known contact information for Defendants and their counsel is as follows:

Noah T. Katzen
Assistant Branch Director
Federal Programs Branch
Civil Division, U.S. Dept. of Justice
U.S. Department of Justice
1100 L Street, NW
Washington, D.C. 20005
Telephone: (202) 305-2428
E-mail: Noah.T.Katzen@usdoj.gov

Joshua S. Ha
Counsel to the Assistant Attorney General
U.S. Dept. of Justice
950 Pennsylvania Avenue NW
Washington, D.C. 205030
Telephone: (202) 598-3747
E-mail: Joshua.S.Ha@usdoj.gov

Todd Blanche
Acting Attorney General
Bilal A. Essayli
First Assistant United States Attorney
Daniel A. Beck
Assistant United States Attorney
Acting Chief, Civil Division
Alarice M. Medrano
Assistant United States Attorney
Acting Chief, Complex and Defensive Litigation Section
Alexander L. Farrell
Assistant United States Attorney
Federal Building, Suite 7516
300 North Los Angeles Street
Los Angeles, California 90012
Telephone: (213) 894-5557
E-mail: Alexander.Farrell@usdoj.gov

5. LAHSA's request to file an enlarged brief is warranted here because the factual and legal issues necessary to adequately respond to the defendants opposition to Application for Preliminary Relief are deeply complex and touch on homelessness funding policy—a policy of great public concern and interest. Additionally, the reply brief addresses significant new factual developments. Four days ago, on July 16, 2026, HUD issued the FY 2026 Continuum of Care (CoC) Program Competition Notice of Funding Opportunity ("NOFO"), which purports to include a "direct-to-HUD applications process for eligible recipients in geographic areas where HUD has determined that a CoC does not meet the requirements of the CoC program in accordance with 24 CFR 578.13." *See* U.S. Dep't of Housing and Urban Development, *available at https://www.hud.gov/hud-partners/coc-program-competition* (last accessed July 20, 2026).

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 20th day of July, 2026, at Los Angeles, California.

Scott Malzahn

Scott M. Malzahn

Keri Curtis Axel (Bar No. 186847)
kaxel@waymakerlaw.com
Scott M. Malzahn (Bar No. 229204)
smalzahn@waymakerlaw.com
Ashley E. Martabano (Bar No. 236357)
amartabano@waymakerlaw.com
WAYMAKER LLP
515 S. Flower Street, Suite 3500
Los Angeles, California 90071
Telephone: (424) 652-7800
Facsimile: (424) 652-7850

Christopher Pelham (Bar No. 241068)
christopher.pelham@nortonrosefulbright.com
Abigail G. Urquhart (Bar No. 310547)
abigail.urquhart@nortonrosefulbright.com
Alex Scandroli (Bar No. 345278)
alex.scandroli@nortonrosefulbright.com
NORTON ROSE FULBRIGHT US LLP
555 South Flower Street, Forty-First Floor
Los Angeles, California 90071
Telephone: (213) 892-9200
Facsimile: (213) 892-9494

Attorneys for Plaintiff
Los Angeles Homeless Services Authority

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

LOS ANGELES HOMELESS SERVICES AUTHORITY, a joint powers authority,

Plaintiff,

v.

DONALD J. TRUMP, in his official capacity as President of the United States of America; UNITED STATES DEPARTMENT OF HOUSING AND

Case No. 2:26-cv-07056-DOC-AJR

PLAINTIFF LOS ANGELES HOMELESS SERVICES AUTHORITY'S REPLY IN SUPPORT OF EX PARTE APPLICATION FOR PRELIMINARY RELIEF, TEMPORARY RESTRAINING ORDER, AND PRELIMINARY INJUNCTION, AND MOTION TO STAY AGENCY ACTION PURSUANT TO 5 U.S.C. § 705

URBAN DEVELOPMENT; SCOTT TURNER, in his official capacity as the Secretary of the U.S. Department of Housing and Urban Development; and DOES 1-10,

Defendants.

Date: August 6, 2026
Time: 9 a.m.
Courtroom: Dept. 1

First Street Courthouse

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

Page

CASES

STATUTES

I. INTRODUCTION

LAHSA's application for preliminary relief (Dkt. 24) demonstrated that the June 11 suspension letter ("June 11 Letter") from the U.S. Department of Housing and Urban Development ("HUD"), and the remedial measures HUD announced in its June 18, 2026 letter ("June 18 Letter"), were based on partisan policy-making, not adequate evidence, and that HUD's actions were final, violated statutes and policies adopted by Congress, and were unconstitutional. Then, on July 16—while HUD was supposed to be negotiating an order "maintaining the status quo with respect to LAHSA's provision of services" (Dkt. 21 at 2)—HUD further proved LAHSA's point, by noticing a new funding application process that would overturn the decades-old Congressionally-mandated Continuum of Care ("CoC") Program by denying the Los Angeles CoC ("LA CoC") its statutory right to submit a regional, consolidated application for HUD funding.

Through the suspension, HUD is attempting to effectuate in 2026 what the Trump Administration has announced that it wishes to do in 2027: eliminate the CoC program in Los Angeles. The July 16 announcement makes clear that HUD intended its actions to be final. Given the express dictates of the Homeless Emergency Assistance and Rapid Transition to Housing ("HEARTH")Act, however, HUD cannot accomplish this objective without violating the statute, the Separation of Powers, the Take Care Clause, and the Tenth Amendment.

In its opposition, HUD sidesteps the purpose of its actions and downplays their effects. HUD traffics in conclusory (and unsupported) allegations, not facts. It fails to identify a single item of adequate evidence—not an agreement, not a certification—that could even potentially support suspension. It fails to refute, or even reference, any of LAHSA's 13 supporting declarations. HUD also does not and cannot explain why it approved new grant awards to LAHSA on May 21, 2026—just twenty-one days before the suspension—and authorized millions in drawdowns on the day of and after the suspension, yet purports that "immediate action is necessary to protect the public interest." HUD's opposition makes plain that its actions are not based on a careful evaluation of the evidence and law, but are reverse-engineered to meet policy objectives.

Notably, HUD devotes only a page and a half of its 33-page opposition to the issue of irreparable harm. HUD admits that it intends to preclude LAHSA from acting as the LA CoC collaborative applicant, but does not address LAHSA's Homeless Management Information System ("HMIS"), Coordinated Entry System ("CES"), and Point-in-Time Count ("PIT") functions. Indeed, HUD does not mention CES or the PIT Count *even once in its brief,* despite the fact that these are significant, fundamental services on which local, state, and federal authorities all rely. The unrefuted evidence is that no person in Los Angeles County moves from interim to permanent housing without LAHSA's role as CES coordinator. (Dkt. 24-3 ¶6). HUD also simply ignores the financial paralysis imposed on twelve specific provider organizations presently providing services without funded contracts; the threatened collapse of the nation's largest HMIS system (Dkt. 24-6 ¶14); and the threatened freezing of 25,398 households on the permanent supportive housing waitlist (*Id.*)

A federal agency may exclude persons from covered transactions only to protect the public interest from a present, evidence-based risk. It may not exclude a person for the purposes of punishment. 2 C.F.R. § 180.125. What HUD has done here is use its suspension authority as an instrument of an expressly stated policy to destroy a congressionally mandated program—by punishing the entity most associated with that program. The Court should enjoin it.

II. THE SUSPENSION IS FINAL AGENCY ACTION

Ignoring the controlling two-part test in *Bennett v. Spear*, 520 U.S. 154 (1997), HUD asserts "an agency action must be considered 'non-final' if it is the subject of a pending administrative appeal." (Dkt. 25 ("Opp.") at 15). That is not the law and it confuses the status of the pending administrative proceedings. Rather, under *Bennett*, an agency action is final the moment is consummates the decisionmaking and carries legal consequences.

HUD's cited cases are distinguishable. In two of the cases, the agency vacated its own decision, thus rendering it non-final. *See Church v. United States*, No. CV 12-3990 GAF (SSX), 2013 WL 12064271, at *2, 4-6 (C.D. Cal. May 15, 2013) (administrative appeals office sua sponte vacated and reopened its previously final decision in an immigration matter); *Crawford-Hall v. United States*, 394 F. Supp. 3d 1122, 1154 (C.D. Cal. 2019) (after court vacated agency action as ultra vires, it remanded to the agency for a final decision). In the third case, the court merely ruled that "forest-wide monitoring and reporting duties" are not "final agency actions" because they "do not mark the culmination of the agency decisionmaking process, nor do rights or obligations flow from them." *Neighbors of Cuddy Mountain v. Alexander*, 303 F.3d 1059, 1067 (9th Cir. 2002). In contrast, here, HUD has "formalized its decision[.]" *See id*. It has not vacated or otherwise rendered its suspension decision inoperative. HUD recently put an exclamation mark on the finality by issuing a July 16 Notice of Funding Opportunity ("NOFO") notice, proving it intends to permit eligible entities to apply directly to HUD and bypass LAHSA. (*See* Declaration of Jessica Reed, filed herewith ("Reed Reply Decl.") ¶¶ 12-13). HUD's latest action further confirms that the consequences of the suspension are not hypothetical, tentative or preliminary. HUD is restructuring the competition on the premise that LAHSA has been removed. An action that is already reshaping a live funding competition is not premature.

LAHSA has requested an administrative hearing, but there is no pending administrative appeal. In any event, an otherwise-final action remains final despite an "appeal to superior agency authority" unless a rule both makes the appeal mandatory and renders "the action meanwhile . . . inoperative." 5 U.S.C. § 704. LAHSA's response under 2 C.F.R. Part 180 is neither required, nor has HUD rendered the suspension inoperative.

III. LAHSA IS LIKELY TO SUCCEED ON THE MERITS

A. HUD Fails to Show a Need For "Immediate Action"

HUD has not adequately explained why "immediate action [in the form of a suspension] is necessary to protect the public interest." *See* 2 C.F.R. § 180.700(c). Given HUD's role in administering the CoC program, it surely is not too much to ask it "reasonably consider" how a suspension LAHSA will affect the provision of homelessness services in the LA CoC before it implements such a suspension. *See Fed. Commc'ns Comm'n v. Prometheus Radio Project*, 592 U.S. 414, 423 (2021). Contrary to HUD's assertions, it did not do so.

HUD cites to a couple of stray statements in its June 11 Letter that describe the scope of the homelessness problem and identify LAHSA as the second largest direct recipient of HUD CoC funds in the nation. (*See* Opp. at 28.) Critically, there is no analysis or reasoning anywhere in the June 11 Letter as to how LAHSA's suspension might affect the continuity of homelessness services in the region. Indeed, the June 11 Letter utterly ignores the central programmatic roles that LAHSA performs for the region as HMIS Lead, CES Coordinator, and PIT Count Administrator. Even though the June 11 Letter does not identify any actual federal funds that were or are being mismanaged by LAHSA, HUD claims it took "action in part because of its fear that 'diverting dollars from worthy programs to LAHSA merely makes the homeless crisis worse.'" (*Id.*) It is evident the Administration's policy goal is to divert funds away from the CoC program entirely, or at least away from Los Angeles. Given HUD's professed concern that Los Angeles "is the epicenter of the homelessness crisis in America" (*id*. at 30), it strains reason to conclude that an immediate suspension of LAHSA in the middle of an application process is necessary to protect the public interest. The June 11 Letter does not once consider how a suspension could disturb the infrastructure for the provision of homelessness services.

Moreover, HUD did fail to consider less drastic alternatives. In the ordinary course, HUD raises concerns in performance reviews and follows a process set forth in its own regulations before taking remedial actions or imposing sanctions. *See* 24 C.F.R. § 578.107. The purpose of such remedial actions is to "prevent a continuation of the deficiency; to mitigate, to the extent possible, its adverse effects or consequences; and to prevent its recurrence." *Id*. § 578.107(b). For this reason, HUD has a range of tailored remedies available to address specific concerns. *See id*. HUD did not do this. It arbitrarily and capriciously issued an across-the-board suspension of LAHSA without undertaking the appropriate process, and failed to give a reasoned explanation for its decision.

B. LAHSA's Suspension Is Not Supported By Adequate Evidence

1. HUD Misapprehends the Evidentiary Standard and the Evidence Required To Meet It

As an initial matter, HUD understates its evidentiary burden. HUD contends it "has significant regulatory leeway" in ordering suspension, calling it a "temporary and preliminary" agency action. (Opp. at 2.) Federal agencies, however, may not impose suspension with superficial factfinding and unfettered discretion. *Sloan v. Dep't of Hous. & Urb. Dev.*, 231 F.3d 10, 17 (D.C. Cir. 2000) ("disqualification from government contracting is a very serious matter"); *see also Jenner & Block LLP v. U.S. Dep't of Just.*, 784 F. Supp. 3d 76, 108 (D.D.C. 2025). (holding that "an agency may not impose even a temporary suspension without providing the 'core requirements' of due process: adequate notice and a meaningful hearing.")

Moreover, there are several problems with HUD's claim that the suspension is just a preliminary measure pending an ongoing investigation. (Opp. at 17.)

First, HUD's actions are not temporary. (*See supra* at III(A).) The June 18 "remedial action letter" (Opp. at 15) includes determinations that LAHSA "is no longer eligible to serve as a collaborative applicant for the Los Angeles CoC, or apply for [FY 2026] funding" (Dkt. 24-23), and does not make LAHSA's eligibility contingent on the results of a HUD-OIG investigation. That HUD intended its remedial measure to be immediate and final is confirmed by the July 16 NOFO notice, which begins the process (to be completed within 7 days) of permitting individual entities within the LA CoC to apply directly for CoC grants, bypassing the LA CoC entirely. (Reed Reply Decl. ¶ 13, Ex. 4.)

Second, contrary to HUC's claims, neither HUD's suspension nor its remedial action was ever tied to an ongoing investigation. HUD's Associate General Counsel Dane Narode's declaration puts the lie to this claim, stating that, on May 29, 2026, HUD-OIG commenced an investigation of LAHSA based on a referral from HUD itself. (Dkt. 25-1 ¶ 4.) In other words, HUD asked its OIG to investigate LAHSA, and then waited less than two weeks to suspend it. HUD's sidelining of LAHSA has nothing to do with pending investigations and nonfinal factfinding—HUD has decided to effect the administration's agenda with respect to LAHSA irrespective of the evidence adduced in any investigation, or any response or rebuttal by LAHSA.

Third, HUD tries to suggest that the "adequate evidence" standard can be met based on the types of uncorroborated information sufficient to "open[] an investigation." (Opp. at 15.) This is insufficient. While "adequate evidence" encompasses may not be co-extensive with the the Federal Rules of Evidence, the evidence "must be more than uncorroborated suspicion or accusations," *Horne Bros., Inc. v. Laird*, 463 F.2d 1268, 1271 (D.C. Cir. 1972), and a suspending official must consider the evidence's credibility. 2 C.F.R. § 180.705(a). News articles and uncorroborated allegations in public sources do not meet the test. *Cf.* 2 C.F.R. § 180.705(b)(1)-(2) (types of evidence for consideration include "[a]n indictment, criminal information, conviction, civil judgment" or "other official findings by Federal, State, or local bodies that determine factual or legal matters"). Contrary to HUD's claim, the factual threshold for opening an investigation is not the same as the threshold for the much more serious and consequential step of suspension. *See In* *the Matter of: Env't Affs. & Mgmt., Inc.*, SBA No. MSB-621, at *13 (Feb. 8, 1999) ("Though suspicion may warrant investigation, it does not warrant suspension.").

Finally, and as discussed further below, HUD does not demonstrate that it has considered, as required, whether suspension is "necessary to protect the public interest" under 2 CFR 180.700(c). HUD advances the circular claim that it is necessary to protect the public interest where a contractor is not responsible. (Opp. at 33). But, as discussed further below, the analysis of whether LAHSA has "present responsibility" includes an analysis of mitigating factors, notwithstanding a history of misconduct or other issues. 2 CFR § 180.125(b) and (c); *Sloan*, 231 F.3d at 14; *Silverman v. U.S. Dept. of Defense*, 817 F. Supp. 846, 849 (S.D. Cal. 1993) (requiring the agency to consider "favorable evidence of responsibility and "ensure that all findings" "are based on the presence of a realistic and articulable threat of harm to the government's proprietary interest"; "government contractors must be afforded a meaningful 'opportunity to overcome a blemished past,' to ensure that an agency 'will impose debarment only in order to protect the government's proprietary interest and not for the purpose of punishment.") (citation omitted).

2. HUD Lacks Adequate Evidence to Support a Suspension

As to the merits, HUD fails to contend with the fact that suspension should not be based on stale information. *See Sloan*, 231 F.3d at 17. The longer HUD waits to take action, the less it can rely on the exigency of suspension. 2 C.F.R. § 180.700. HUD cannot credibly maintain that immediate action was necessary on June 11, 2026, based on a historical record it had known for years, and after approving LAHSA as a grantee just three weeks earlier. HUD notes that similar issues were advanced by the L.A. Alliance in a May 8, 2025 motion for receivership, and in this Court's June 25, 2025 order. (Alliance Litigation Dkt. 899, 991.) HUD never explains why it did not commence an investigation then; yet it purports that its recently-opened investigation compels "immediate action" now. *See Inchcape Shipping Servs. Holdings Ltd. v. United States*, 2014 WL 12838793, at *2 (Fed. Cl.

Jan. 2, 2014) (government waited over a year after audit results to suspend contractor, casting "serious doubt on [its] claim that immediate action was necessary").

Moreover, HUD's claim that immediate action is needed is belied by the fact that it has awarded LAHSA multiple grants on an annual basis for years, and made an award *as recently as May 21, 2026*. (Reed Reply Decl. ¶ 3.) By regulation, at the time of the May award, HUD was required to evaluate LAHSA's "performance in previous years against the plans and goals established" in its application," and evaluate factors such as a "history of inadequate financial management accounting practices," and "indications of mismanagement on the part of the recipient." 24 CFR § 583.235(c)(1). (*See* Reed Reply Decl. ¶ 2.) Having just approved multiple awards to LAHSA under this standard, HUD simply cannot justify a suspension now. *Lion Raisins, Inc. v. United States*, 51 Fed.Cl. 238, 249 (2001) (where USDA continued to awards contracts during period of misconduct, USDA "acted arbitrarily and capriciously by deeming plaintiff both responsible and non-responsible for the same time period and based on the same evidence").

HUD improperly diminishes the importance of LAHSA's remedial efforts (Opp. at 22), which also bear on LAHSA's present responsibility. HUD asserts that "whether LAHSA is a "responsible person" is a matter for the ongoing investigation to determine" (Opp. at 22), but that would be too late. HUD must assess present responsibility before suspension, 2 CFR § 180.125(b), and cannot wait until its vaguely-described investigation is complete.

Overall, HUD gives short shrift to the fact that LAHSA has made significant and comprehensive improvements over at least the last ten years, such that old audits are not reflective of its current state. HUD never addresses LAHSA's leadership changes, strengthened audit and risk structure, and reforms to data governance, financial oversight, provider monitoring, and housing-matching operations. (*See, e.g.,* Dkt. 24-21 ¶¶ 8-12 and Dkt. 24-66 ¶ 42.)

3. HUD Has No Evidence of False Certifications

HUD's allegation that it has adequate evidence of LAHSA making false statements or certifications to HUD is wholly unsupported. HUD points to pages 11-12 of its letter (Dkt. 24-24 at 2) which sets out various certifications LAHSA routinely makes in the consolidated application. But HUD fails to point to a single specific LAHSA statement—including date, recipient, or content—and links it up with any evidence the statement was false. HUD cannot meet its due process obligations by merely handwaving at years of certifications without specifying, by date and medium, what statements it alleges, and how it alleges them, to be false. Further, the general certifications HUD cites are, for the most part, prospective and made subject to the "best knowledge of the signatory." (*Id.* at 11). There is simply zero evidence that any LAHSA official ever made a certification that was not true and accurate to the best of their knowledge at the time. At best, the June 11 Letter disputes the adequacy of LAHSA's policies and controls—not whether LAHSA misrepresented that the policies and controls were in place.

4. HUD's Conflict of Interest Claims Are Unfounded

HUD's repeated assertions that it has found reason to believe that LAHSA has been operating with undisclosed conflicts of interest (see Opp. at 1, 2, 8) only demonstrates the lack of evidence it possesses and its own lack of credibility. Simply put, the conflict of interest claims are false and HUD knows it.

In its opposition, HUD states that, in October 2024, LAHSA "authorized its then-[Chief Executive Officer ("CEO")] to contract with her husband's employer to provide services for over $2 million." (Id.). HUD knows that LAHSA did no such thing; rather, LAHSA started working with Upward Bound House ("UBH") long before Dr. Adams Kellum became LAHSA's CEO; Dr. Adams Kellum recused herself, on the public record, from dealings with UBH; LAHSA's total disbursements to UBH did not increase after Dr. Adams Kellum became CEO; pursuant to LAHSA's conflict of interest policy, LAHSA's Commission approved further work with UBH without Dr. Adams Kellum's involvement or presence (due to her recusal); and Dr. Adams Kellum's staff inadvertently applied her signature to documents through Adobe (that is, she did not execute any documents relating to UBH). (*See* Dkt. 24-36 ¶¶ 11, 23; Dkt. 24-44, Dkt. 24-55.) HUD accepted the facts that LAHSA documented through its internal investigation and closed out its investigation; HUD cannot ground its suspension on factual inferences that it well knows to be false.

HUD points to no new issues arising since its closeout to justify further suspicion or investigation of LAHSA's conflict of interest policies or practices. HUD ominously suggests other conflict of interest issues exist (Opp. at 19 ("HUD's ongoing investigation has revealed additional potential conflicts of interest that LAHSA had not disclosed"), but fails to identify any.[1] There can be no "adequate evidence" where HUD cannot even identify any supposed "additional potential conflicts of interests" with specificity, much less any false statements or certifications referencing them. HUD's statutory and due process obligations demand much more than a vague, unsupported allegation.

5. HUD Cannot Connect LAHSA's Practices Regarding State and Local Funds to its Federal Requirements

HUD glosses over the fact that, because state and local reimbursement structures are very different from federal ones, findings and allegations related to LAHSA's administration of state and local funds simply do not translate to how it administers HUD funds. The June 11 Letter repeatedly emphasizes LAHSA's ability to reimburse providers from state and local funds. (*See* Dkt. 24-17 ¶¶ 23-28; *see also* Axel Reply Decl., Ex. 1 ¶¶ 18-29). However, there are differences in how these

---

[1] HUD cannot controvert that LAHSA has not only implemented a new policy, but given it effect. (Pelham Decl. ¶ 29.) LAHSA's conflict waiver exemption request refutes the suggestion that it presently allows Commissioners with potential conflicts to recuse without requesting a HUD waiver. (*Cf.* June 11 Letter at 10)

programs are administered, particularly in the speed with which HUD, the State of California, and the City and County of Los Angeles reimburse service providers through LAHSA. As a result, historical criticisms of LAHSA's administration of state and local funds are not necessarily relevant to its administration of CoC funds. HUD, however, states that these differences are for an investigation to sort out. (Opp. at 20 ("whether there are meaningful differences between LAHSA's HUD-assisted payment processes and its other payment processes, . . . are exactly the kinds of issues HUD needs to investigate and weigh")). As noted above, because it has already taken the serious step of suspending LAHSA, HUD cannot defer such important analysis until after its investigation.

The federal drawdown process is "significantly more timely than many local reimbursement processes." (Axel Reply Decl., Ex. 1 ¶ 19.) With state- and locally-funded programs, the provider incurs and records the expense; submits it to LAHSA; LAHSA records the expense; LAHSA submits a reimbursement request to the state or local funder; and then LAHSA must wait for the funder to review and pay that request. (*Id.*) The invoice appears as an accounts payable on LAHSA's balance sheet. By contrast, for CoC funds, LAHSA "draws funds directly from HUD's . . . system and those funds are generally deposited within three business days." (*Id.* at 20.) To pretend these two payment processes are the same, when HUD allows a drawdown directly from a funded account, but the local requires the reimbursement request to be reviewed and then funds to be sent to LAHSA, is absurd.

HUD erroneously asserts that the State has provided LAHSA sufficient "cash on hand" to cover reimbursements, suggesting that there is no external delay for such funds. (Opp. at 20-21). LAHSA does not have sufficient funds from State sources to "pre-pay" service providers before the reimbursement process. LAHSA's annual budget exceeds $900 million. (Dkt. 24-17 ¶ 13.) For LAHSA's fiscal year 2025-2026 budget, only 9% of that came from federal sources. (Axel Reply Decl., Ex. 3 (June 18, 2026 LAHSA Budget Update).) And 9% of it comes from State sources, which have their own reimbursement model, including "cash on hand" as the government notes. (Dkt. 24-32 at 53.) LAHSA does not have the remaining 82% of over $900 million on hand. For the vast majority of the remaining funds, LAHSA is required to follow the specific payment processes for local funders outlined above.

Finally, HUD need not look to LAHSA's processing of state funds as a proxy for its federal reimbursement speed; the Single Audit evaluates LAHSA's management of federal funds annually, and there was no issue identified. (Dkt. 24-26 (June 11 Leter, Ex. 9 (FY2025 Single Audit).)

6. HUD's Claims Regarding the 2022 HUD OIG Audit and the 2025-2026 Single Audit Are Misleading and Wrong

As to the 2022 HUD OIG Audit: (1) HUD complains that LAHSA failed to spend $3.5 million in CoC funds in 2022, but omits that HUD accepted LAHSA's corrective actions and formally closed out this finding over a year ago. (Axel Reply Decl., Ex. 4 ¶ 11, 21, Ex. 5.); (2) As to HMIS, contrary to HUD's insinuation, there was no finding related to a problematic failure of HMIS; rather, the audit "identified documentation deficiencies related to certain salary and rental costs associated with HMIS and Planning grants" (Axel Reply Decl., Ex. 4 ¶ 20) and LAHSA has since provided additional documentation (Axel Reply Decl., Ex. 4 ¶ 11, Ex. 5.); (3) Similarly, HUD brings up a failure "to provide supporting documentation for over $870,000 in payroll and rent costs" (Opp. at 21), but this too is a documentation question rather than an indication of misuse in funds. (Axel Reply Decl., Ex. 4 ¶ 11, Ex. 5); (4) HUD notes the audit's finding that "LAHSA failed to submit timely performance reports" (Opp. 21), but timeliness "is not defined by the Uniform Guidance" (Axel Reply Decl., Ex. 1 ¶ 6), and therefore does not amount to a deviation from an established or required internal control. In any event, as discussed above, an audit that occurred in 2022 is stale.

As to the 2025-2026 Single Audit, HUD stoops to pulling a phrase out of its sentence, claiming that the auditor found "internal controls over financial reporting were not adequately designed or implemented" (Opp. 21) but the rest of the sentence (and page) makes clear this relates only to the "timely identification and correcting of accounting matters or timely preparation and provision of information necessary for financial reporting and audit purposes. (June 11 Letter, Ex. 9 p. 50). This finding led to an audit recommendation concerning enhancing LAHSA's financial closing process to support more timely financial reporting. (Id.)

HUD also omits that the Single Audit—which represents the most comprehensive and independent evaluation of LAHSA's compliance with major federal program requirements and its performance in its role as CoC Lead Applicant, HMIS Lead, and CoC coordinator—did not "identify any instance where LAHSA failed to comply with federal laws or contractual obligations." (Axel Reply Decl., Ex. 1 ¶ 40). It concluded that LAHSA's financial statements "presented fairly in all material respects, the respective financial position of the governmental activities and the major fund of" LAHSA. (*Id*. at 1; C. Dkt. 24-66 ¶ 11).

C. HUD Lacks Authority To Disqualify LAHSA As the Collaborative Applicant for the LA CoC

Even assuming this Court does not set aside LAHSA's entire suspension as arbitrary and capricious (which it should), HUD's prescribed remedial actions should be enjoined as unlawful. HUD cites no caselaw to support its claim that it can use the suspension and debarment system to disqualify LAHSA from serving as the collaborative applicant or from performing its programmatic duties under the HEARTH Act. Nor can it. The actions taken by HUD in its June 18 Letter are extraordinary, unprecedented, in excess of its authority, and are contrary to law.

1. HUD Has Not Made the Required Findings or Followed the Applicable Suspension Process Under the HEARTH Act

In an attempt to claim remedial authority to disqualify LAHSA as collaborative applicant and to suspend its programmatic functions, HUD collapses two distinct and separate statutory and regulatory frameworks. Relying on the suspension and debarment system in 2 C.F.R. part 180, HUD first argues that it "has same tools as any agency" to suspend federal partners from participating in government programs. (Opp. at 9.) It then argues that LAHSA's suspension "should naturally mean that the CoC can no longer fulfill its responsibilities" such that it may exercise its remedial authority under the HEARTH Act, 24 C.F.R. § 578.13(a). (*Id*. at 15.) It cites no authority for that proposition. Where two different statutory or regulatory frameworks interact, courts seek to harmonize them "'to give effect to each if we can do so while preserving their sense and purpose.'" *Chevron U.S.A., Inc. v. Hammond,* 726 F.2d 483, 490 n. 8 (9th Cir. 1984) (quoting *Watt v. Alaska*, 451 U.S. 259, 267 (1981)). "[A] regulation does not trump an otherwise applicable statute unless the regulation's enabling statute so provides." *United States v. Maes,* 546 F.3d 1066, 1068 (9th Cir. 2008).

HUD admits, as it must, that its remedial authority is conditioned on a finding that a CoC does not meet the "requirements" of the HEARTH Act or there is no CoC for a geographic area. (Opp. at 33.) *See* 42 U.S.C. § 11360a(c); 24 C.F.R. § 578.13(a). The "requirements" of the HEARTH Act, as applied to the CoC program are found in 42 U.S.C. §§ 11360a(f), 42 U.S.C. §§ 11381-11389, and the Act's implementing regulations, 24 C.F.R. Part 578, which translate its requirements into specific operational duties for a CoC. *See* 24 C.F.R. §§ 578.5, 578.7, 578.9 (describing duties such as CoC operation, maintaining a Governance Charter, monitoring reports of recipients, designing the collaborative application process, and establishing funding priorities.)

HUD has failed to identify any specific "requirements" of the statute or regulations that LAHSA or the LA CoC do not meet, or have failed to execute. That should end the matter. HUD's remedial authority under 24 C.F.R. 578.13 is designed to ensure that CoCs comply with the requirements or standards for, *inter alia*, coordinated planning, funding allocation, and service delivery targeted at addressing homelessness within specified geographic areas. *See* 42 U.S.C. § 11386a; 24 C.F.R. §§ 578.7(c), 578.9, 578.53. HUD can take remedial action only if a CoC fails to meet these benchmarks, thereby protecting equitable and effective distribution of grant funds. *See* 24 C.F.R. § 578.13(a).

The suspension and debarment system in 2 C.F.R. part 180 is not "requirements of the Act or its implementing regulations" within the meaning of 24 C.F.R. § 578.13, but represents standards set forth by the Office of Budget and Management ("OMB") and which apply to federal contract administration generally. These OMB administrative and financial management standards may "apply to recipients and subrecipients" of federal homelessness grants, "except where inconsistent with the provisions of the [HEARTH] Act or this part." *See* 24 C.F.R. § 578.99(e); *In re Padilla*, 222 F.3d at 1192 (9th Cir. 2000). Thus, if there is a conflict between the OMB standards and the HEARTH Act, the HEARTH Act and its implementing regulations control.

HUD must follow the more specific remedial procedures in the HEARTH Act before suspending LAHSA. The specific regulations for the HEARTH Act direct HUD to undertake a performance review process before taking remedial actions. *See* 24 C.F.R. § 578.107. Upon the conclusion of this process, the available remedial actions may include, *inter alia*, "suspending disbursement of grant funds[.]" *Id.* § 578.107(b)(1)(v). HUD has not followed that process here. It should not be permitted to circumvent the specific procedures set forth in the HEARTH Act by falling back on the more general system for suspension and debarment.

The suspension and debarment system was not designed to address the situation presented here. By its terms, the legal effect of a suspension or debarment is limited to excluding a specific person's involvement in "covered transactions." 2 C.F.R. § 180.130. This regulation is not so capacious as to permit an official to suspend a collaborative applicant from applying for federal funding on behalf of an entire region under the HEARTH Act. Nor does it authorize an official to suspend a collaborative applicant from acting as HMIS Lead or performing other programmatic functions. HUD does not cite a single prior instance where it has ever used the suspension tool to disqualify a collaborative applicant or an entire CoC as it has done here. It is inconsistent with the HEARTH Act for a suspension under 2 C.F.R. part 180 to be used as a means to disqualify a collaborative applicant acting on behalf of a region, especially where HUD has not followed the applicable remedial procedures for grant administration under its own regulations for the HEARTH Act. *See* 24 C.F.R. § 578.107.

Rather than engage in reasoned decisionmaking as required by the APA, HUD simply recites that LAHSA is suspended and treats that fact as sufficient to disqualify LAHSA and the entire LA CoC. (June 18 Letter at 1 ("[b]ecause LAHSA may not participate in federal programs, it may not act on behalf of the Los Angeles CoC"). HUD cites no legal authority or prior historical practice for this proposition but relies on its own *ipse dixit*. (Opp. at 15 (arguing that suspension "should naturally mean that the CoC can no longer fulfill its responsibilities"). HUD's reasoning does not withstand scrutiny under the arbitrary-and-capricious standard.

2. HUD Is Statutorily Obligated to Fund FY '25 Awards

HUD concedes LAHSA's suspension "does not terminate grant agreements that HUD and LAHSA have already executed or curtail LAHSA's use of funds that it has already been granted." (Opp. at 33.) Instead, HUD threatens not to fund FY '25 grants that—based on a Congressionally-set timelines—HUD already awarded and was required to fund. HUD's actions are not a permissible exercise of administrative discretion, but represent defiance of a non-discretionary statutory mandate.

While HUD sought to upend Congressional priorities through the FY '25 NOFO, Congress and the courts intervened, enjoining the FY '25 NOFO and setting deadlines by which HUD had to renew FY '24 grants for FY '25. (*See* Dkt. 24 at 26.) As to LAHSA's grants, HUD met these deadlines, renewing all of LAHSA's

2024 subgrantees (Dkt. 24-62 ¶¶ 50-52), including LAHSA itself, as recently as May 21, 2026. (Reed Reply Decl. ¶ 3.) In issuing these award letters, HUD had to evaluate and determine the eligibility of the grantee, LAHSA, as well as its subgrantees, before approving their awards. 42 U.S.C. § 11382(d)(1); 24 CFR § 583.235(c).

After the awards were approved by HUD, the HEARTH Act required that the funds be obligated—*i.e.*, legally committed with grant agreements—within 45 days. 42 U.S.C. § 11382(d)(2); 24 CFR § 583.410.[2] But LAHSA has not received signed grant agreements for 49 already-awarded grants and, in every case, they are now overdue. (Dkt. 24-62 ¶¶ 50-53, 57; see also, Reed Reply Decl. ¶ 3.) HUD is customarily dilatory in executing grant agreements, often leaving grantees and subgrantees to fund their own operations for months with no path to reimbursement. (Dkt. 24-62 ¶¶ 50.) Here, however, HUD seeks to take advantage of its sloppy practices to deny funding altogether for award recipients including LAHSA, House of Ruth, and Penny Lane, among others, who have already provided, and are continuing to provide, services under the awards. (Dkt. 24-2 ¶¶ 4–10; Dkt. 24-1 ¶¶ 4-5). HUD cannot now use the suspension system to excuse its failure to comply with the statutorily mandated timeline.

HUD's attempt to distinguish funding under signed and unsigned grant awards fails, and undermines HUD's claim that LAHSA is an untrustworthy recipient and administrator of HUD funding. Given the grant cycle, LAHSA has at least six months (and in some cases longer) to administrate HUD funding under already-signed grants. This represents millions of dollars in federal monies. (Reed Reply Decl. ¶ 7.) Were LAHSA the irresponsible actor HUD contends, surely it

[2] The grant agreement is a formal post-award step by which a grantee agrees to provide services and HUD commits the funds, which are then available to draw down within HUD's eLOCCs system. *See* 24 CFR § 583.400. (*See also* Axel Reply Decl., Ex. 1¶ 20).

would cut off LAHSA's access to such monies. But HUD has not disturbed LAHSA's access to the FY '24 and already-executed FY '25 grants, likely because it knows it cannot meet the legal standard to de-obligate the funds under 24 C.F.R. 578.107. In any event, the distinction is necessarily arbitrary and capricious, in that, in either event, LAHSA is legally entitled to the obligation of funds.

HUD's reliance on 42 U.S.C. § 11386(b)(8) is unexplained, and fails. (*See* Opp. at 26.) Section 11386(b) merely includes a list of assurances that a collaborative applicant must provide to HUD. *See* 42 U.S.C. § 11386(b)(8) (catch-all requiring applicant to "comply with such other terms and conditions as the Secretary may establish"). HUD never claims that LAHSA's suspension, or the remedial actions HUD has taken, are based on its Section 11386(b)(8) authority.

Because the suspension authority does not authorize HUD to contravene its existing funding obligations under the Act, HUD is acting contrary to law.[3]

3. HUD's FY '26 NOFO Notice Is Contrary to Law and Not Practically Feasible

HUD's recent attempt to rewrite the NOFO process for Los Angeles County based on its suspension of the LA CoC's collaborative applicant also contravenes the HEARTH Act, which requires regions to submit one coordinated application. While 24 C.F.R. Section 578.13(a)(3) permits HUD to allow a specific entity to apply directly for funding as a remedial measure, that remedy is rooted in the existing regulatory scheme. Under 24 C.F.R. § 578.35(b), solo applicants who appeal the CoC determinations of eligible applicants are allowed to apply for

---

[3] Although HUD asserts in passing that contract claims belong in the Federal Court of Claims under the Tucker Act, it does not contend that this Court lacks jurisdiction to decide this dispute. (*See* Opp. at 34.) It clearly does. LAHSA's claims arise under the APA and the U.S. Constitution and it seeks injunctive and declaratory relief, which are within the purview of this Court. *See Pacito v. Trump*, 169 F.4th 895, 925 (2026). Moreover, whether HUD is obligated to execute a grant agreement under the HEARTH Act is a separate question than whether HUD has breached a contract or has a contractual payment obligation under an existing agreement.

funding outside of the COC process as a remedy when the CoC has "denied" individual applicants "the right to participate" in the CoC "in a reasonable manner." 24 C.F.R. § 578.35(b)(1). But that provision assumes the "solo applicant" continues to operate within the CoC system. Here on the other hand, HUD is effectively removing the entire LA CoC from the CoC program without any legal authority.

HUD's remedial choice is unprecedented because it applies to all applicants within the CoC, not just those selective applicants who allege their preclusion from the CoC application process. HUD's expansion of the remedial action to take individual applications would serve to effectively disband the entire LA CoC. This runs contrary to the entire statutory and regulatory framework of the CoC Program, and the Congressional mandates behind the appropriation of CoC funds. As with the suspension of LAHSA, there is no factual record or findings to support the imposition of such a sweeping and broad remedial action.

D. HUD Likely Is in Violation of the U.S. Constitution

Although this Court does not need to reach the constitutional claims if it finds that LAHSA has a likelihood of success under the APA, it also should find that LAHSA is likely to succeed on its constitutional claims. HUD gives short shrift to these claims and does not engage with LAHSA's cited authority, failing to address a single Ninth Circuit case (and only one Supreme Court case).

As to the separation of powers violation, HUD offers only the abstract claim that the "case law 'does not support the proposition that every action' by an agency 'in excess of [its] statutory authority is *ipso facto* in violation of the constitution (Opp. at 29-30, citing *Dalton v. Specter*, 511 U.S. 462 (1994)). But LAHSA did not ground its constitutional claims solely in HUD's (numerous) statutory and regulatory violations. Nor did the Supreme Court preclude a theory that "action in excess of statutory authority" "rise[s] to a constitutional claim." *Sierra Club v. Trump*, 929 F.3d 670, 696 (9th Cir. 2019) ("Statutory and constitutional claims are not mutually exclusive."); *Cnty. of Santa Clara v. Noem*, 815 F. Supp. 3d 979, 1025, 1043 (N.D. Cal. 2025) (granting preliminary injunction where county government had shown likelihood of success on constitutional claims); *see also City of Chicago v. United States Dep't of Homeland Sec.*, 815 F. Supp. 3d 727, 750 (N.D. Ill. 2025) ('[I]t cannot be right . . . that as long as an official identifies some statutory authorization for his actions, doing so . . . precludes constitutional review.'").[4]

LAHSA's argument, which HUD never addresses, is that HUD has violated the separation of powers and the Take Care clause by seeking to eliminate the CoC program generally, and the LA CoC specifically. In a different part of its brief, HUD claims that LAHSA's policy-based claims are unsupported and hyperbolic (Opp. at 27), a claim it can make only by ignoring LAHSA's evidence, including: (1) the Administration's 2027 budget, which seeks to eliminate what it calls the "failed and harmful" CoC program (RJN Ex. L at 30-31), and takes shots at LAHSA in particular (*id.*); (2) a HUD official's comment that it would recommend that no HUD funding to Los Angeles (Dkt. 24-37.), and (3) Secretary Turner's wholly-false public claims that HUD had performed an investigation and found "waste, fraud and abuse" (Id. ¶ 3).[5] HUD has only further proven its intent to overstep Congress through its July 16 announcement of the new NOFO that expressly precludes the LA CoC from submitting a collaborative application.

[4] *Global Health Council v. Trump*, 153 F.4th 1, 15 & n. 11 (D.C. Cir. 2025) is out of circuit and inapposite. There, a divided panel ruled that foreign aid grantees could not bring a constitutional claim for Presidential impoundment of foreign aid where judicial review of statutory claims was unavailable under the APA. *See id*. at 14. That is not the case here: Because LAHSA's statutory claims are reviewable under the APA, its constitutional claims are not an end-run around statutory limits.

[5] HUD's sole supporting declaration only further proves that no HUD investigative findings supported the suspension: HUD claims an OIG investigation was opened only on May 29, 2026—less than two weeks before the June 11 Letter—and that was done only "based on a referral from HUD." (Dkt. 25-1 ¶¶ 6-7.)

Under these circumstances, LAHSA has shown a likelihood of success on its constitutional claims. *Murphy Co. v. Biden*, 65 F.4th 1122, 1130 (9th Cir. 2023) ("[A] challenge to presidential action will be considered constitutional, and therefore justiciable . . . , so long as a plaintiff claims that the President has 'violat[ed] . . . constitutional separation of powers principles' because the President's action lacked both 'statutory authority' and 'background constitutional authority.'" 929 F.3d 670, 696–97 (9th Cir. 2019) (quoting *Sierra Club*, 929 F.3d at 889-90)); *see also City & Cnty. of San Francisco v. Trump*, 816 F. Supp. 3d 1017, 1036 (N.D. Cal. 2026).

That test is met here. LAHSA's constitutional claims are independently based on violations of background constitutional principles, including the Appropriations Clause, the Take Care Clause, Separation of Powers, and the Tenth Amendment. Moreover, unlike the base closure statute at issue in *Dalton*, 511 U.S. at 464, none of the statutes or regulations at issue assigns any role to the President or imbue HUD with unfettered or unreviewable discretion over federal homelessness assistance.

HUD also erects a straw-man arguing that the Tenth Amendment does not "require[] the Federal Government to fund Californian homelessness programs, or to fund them on LAHSA's terms." (Opp. at 35.) This misstates LAHSA's position. LAHSA's Tenth Amendment claim arises from HUD's interference with LAHSA's performance of its various programmatic functions such as HMIS Lead and CES Coordinator. (Dkt. 1 ¶ 150.) It also arises from HUD's interference with the LA CoC's choice of LAHSA as its collaborative applicant. (*Id.* ¶ 151.) HUD acknowledges that "[c]aring for the homeless is an archetypal 'police power.'" (Opp. at 35.) Yet it largely ignores the wide-ranging effect of its actions on the ability of state and local governments to address the problem of homelessness. HUD's opposition brief barely mentions LAHSA's role as HMIS Lead and never once mentions its roles as CES Coordinator or PIT Account Administrator. The HEARTH Act was designed to support community-driven strategies to end homelessness. HUD may not usurp the efforts of local or state governments to provides homelessness services pursuant to state and local law.

IV. LAHSA WILL SUFFER IRREPARABLE HARM ABSENT RELIEF

HUD's irreparable-harm rebuttal largely rests on the premise that LAHSA's harm runs to others, not to itself. But LAHSA has shown direct harms to itself. HUD concedes that "absent an injunction, LAHSA will remain suspended from its role as Collaborative Applicant for the LA CoC during the ongoing investigation[.]" (Opp. at 36.) While LAHSA may continue to draw down on federal funds tied to existing grant agreements, HUD has immediately suspended its participation in future transactions with the federal government. (*Id.*) These are direct irreparable harms.

A preliminary injunction is the only way to ensure that LAHSA will be able to perform its statutory designated role as collaborative applicant for the upcoming FY '26 NOFO deadline on February 26, 2026. No later ruling can restore it to a competition it was excluded from; the harm cannot be undone.

LAHSA also has suffered direct harm to itself and its subgrantees from HUD's failure to execute pending grant agreements. HUD tries to avoid an irreparable harm finding on this point by claiming it has not yet decided "what action, if any, it will take" regarding these already-awarded funds. (Opp. at 36-37.) But HUD cannot avoid harm by sticking its head in the sand—every day that HUD avoids a decision leaves LAHSA and its subgrantees unpaid. LAHSA and its subgrantees rely in significant part on federal funding to finance their work. (See Reed Reply Decl. ¶¶ 5-9). Without an injunction, LAHSA will lose the ability to fund nearly 60 employees. (*Id.* ¶ 10).

HUD's cited cases do not preclude this Court from considering harms to LAHSA's organizational interests and its mission. In *Nat'l Wildlife Fed'n v. Nat'l Marine Fisheries Serv.*, 886 F.3d 803, 822 (9th Cir. 2018), the Ninth Circuit held that a plaintiff can meet the irreparable harm requirement by taking into consideration the harm to the local environment where the plaintiff has his own interest in the environment. It reasoned the plaintiff had connected "his recreational and aesthetic pursuits on Idaho's rivers" to anticipated injuries to local species. *Id.*[6] As a joint powers agency, LAHSA has a direct and compelling interest in the provision of homelessness services in the LA CoC. Indeed, the very reason that LAHSA was formed was to coordinate and facilitate the delivery of homelessness services throughout the region, by executing the functions delegated to it. *See Oakley v. Devos*, No. 20-CV-03215-YGR, 2020 WL 3268661, at *17 (N.D. Cal. June 17, 2020) (injuries to sovereign interests and public policies may constitute irreparable harm). Further, "[d]eprivation of constitutional rights unquestionably constitutes irreparable injury." *Valle del Sol Inc. v. Whiting*, 732 F.3d 1006, 1029 (9th Cir. 2013).

Here, the mere fact that HUD recently opened up a pathway for solo applicants in the LA CoC to apply directly to HUD does nothing to address the irreparable harm to LAHSA. HUD has not explained how it will evaluate solo applications, rank or prioritize projects, or balance community needs without a consolidated application prepared at the local CoC level as contemplated by the HEARTH Act. Inevitably, this solo application process will mean that HUD officials will prioritize the Administration's own preferred policy goals or interests (such as faith based housing and a shift away from permanent housing to transitional housing) over choices of the local community that LAHSA was formed to serve.

V. THE PUBLIC INTEREST STRONGLY FAVORS AN INJUNCTION

When balancing the equities, this Court should give great weight to the interests of the public in the provision of homelessness services.

[6] HUD's remaining cases are inapposite in that the record supports non-speculative harm both to LAHSA and third parties. *Cf. Immigrant Legal Res. Ctr. v. City of McFarland*, 827 F. App'x 749, 751-52 (9th Cir. 2020) (only demonstrated harm was to third party detainees); *Caribbean Marine Services Co. v. Baldrige*, 844 F.2d 668, 674-75 (9th Cir. 1988) (harm found too speculative).

HUD's assertion that it or third parties can "step in" to perform LAHSA's functions is an ambitious claim lacking evidentiary support. It is not supported by a single declaration, a single operational plan, a single identification of a person or entity to perform these functions, or a single description of how HUD proposes to replicate the 39-person PSH Matching Team (Dkt. 24-3 ¶10), the 400-agency HMIS network, or the years of institutional relationships that constitute LAHSA's CES operation. LAHSA demonstrated in its moving papers that preparing the Consolidated Application requires months of advance work, including coordination among 140-plus providers, community prioritization decisions, Tier 1/Tier 2 ranking, narrative development, data compilation, and electronic submission. (Dkt. 24-62 ¶¶ 16-42.) None of this can be reasonably replicated by any other entity within the five weeks that remain before the deadline. HUD's assertion to the contrary without any evidentiary support carries no weight under *Winter's* requirement that the balance of harms be assessed on actual evidence. *See Winter v. Nat'l Res. Defense Council*, 555 U.S. 7, 20 (2008); *Earth Island Inst. v. Muldoon*, 82 F.4th 624, 636 (9th Cir. 2023). The government's speculation that harm can be avoided does not constitute evidence that harm will be avoided. A transition of the nation's largest CoC's collaborative applicant, HMIS lead, and CES operator functions to a new entity would require months of planning, coordination, data transfer, and relationship-building. (*See* Dkt. 24-16 ¶14; *see generally* Dkt. 24-3). There are not months available before the August 26 NOFO deadline. The transition argument is therefore not an answer to irreparable harm—it is evidence of irreparable harm: the very scale of what would need to be transferred demonstrates why any interruption is catastrophic and irreversible on the relevant timeline.

HUD's hollow assurances that LAHSA's "suspension does not require any significant change to the amount of HUD funding" and "adjustments would not necessarily reduce the amount of funds" to Los Angeles do not provide comfort. (Opp. at 38.) HUD has assiduously avoided making any representations that it will maintain continuity of federal funding. The abrupt suspension creates chaos in the middle of the application process for the FY ’26 NOFO and threatens the $241 million earmarked for the LA CoC. (Dkt. 24 at 46-48; Dkt. 24-6 ¶ 14a; Dkt. 24-21 ¶ 6; Dkt. 24-65 ¶ 6.) The risk of irreparable harm to the public is too great to not issue a preliminary injunction.

HUD’s interest in preventing “wanton mismanagement of public funds” (Opp. at 36) does not outweigh LAHSA or the public’s interest in continuity of homelessness services. HUD has not submitted any actual evidence to substantiate its claims of harm. It has made no effort to identify any federal funds that are or have been mismanaged by LAHSA. The only declaration submitted by HUD confirms that, between June 11 and June 29, 2026, HUD authorized LAHSA to draw over $4.5 million from existing grant funds—without identifying any impropriety in any of those 47 draws. (*See* Dkt. 25-1, ¶ 19.) In the absence of any actual evidence of harm to the federal government, HUD’s hypothetical interests in preventing waste, fraud and abuse do not weigh heavily.

Finally, the equities are not served by deferring judicial review until LAHSA’s administrative challenge to its suspension is resolved. That guarantees that LAHSA will not serve as the collaborative applicant for the FY ’26 NOFO, it jeopardizes federal funding for the entire LA CoC, and almost certainly will mean that some individual service providers fall through the administrative cracks and are forced to cease their operations. Without the ability to draw down federal funds to support ongoing operations in real time, LAHSA’s operations would be negatively impacted and it would be forced to lay off employees and cease providing services.

VI. CONCLUSION

For the foregoing reasons, LAHSA respectfully requests that the Court grant a preliminary injunction in its favor or enter an administrative stay of HUD’s actions.

DATED: July 20, 2026

WAYMAKER LLP

By: */s/ Keri Curtis Axel*

KERI CURTIS AXEL
Attorneys for Plaintiff
Los Angeles Homeless Services Authority

DATED: July 20, 2026

NORTON ROSE FULBRIGHT US LLP

By: */s/ Chris Pelham*

CHRIS PELHAM
Attorneys for Plaintiff
Los Angeles Homeless Services Authority

Keri Curtis Axel (Bar No. 186847)
kaxel@waymakerlaw.com
Scott M. Malzahn (Bar No. 229204)
smalzahn@waymakerlaw.com
Ashley E. Martabano (Bar No. 236357)
amartabano@waymakerlaw.com
WAYMAKER LLP
515 S. Flower Street, Suite 3500
Los Angeles, California 90071
Telephone: (424) 652-7800
Facsimile: (424) 652-7850

Christopher Pelham (Bar No. 241068)
christopher.pelham@nortonrosefulbright.com
Abigail G. Urquhart (Bar No. 310547)
abigail.urquhart@nortonrosefulbright.com
Alex Scandroli (Bar No. 345278)
alex.scandroli@nortonrosefulbright.com
NORTON ROSE FULBRIGHT US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, California 90071
Telephone: (213) 892-9200
Facsimile: (213) 892-9494

Attorneys for Plaintiff
Los Angeles Homeless Services Authority

WAYMAKER

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

LOS ANGELES HOMELESS SERVICES AUTHORITY, a joint powers authority, Plaintiff, v.	Case No. 2:26-cv-7056-DOC-AJR **SECOND DECLARATION OF JESSICA REED IN SUPPORT OF PLAINTIFF LOS ANGELES HOMELESS SERVICES AUTHORITY'S APPLICATION FOR PRELIMINARY RELIEF** **[FILED WITH LAHSA'S REPLY BRIEF]**

DONALD J. TRUMP, in his official capacity as President of the United States of America; UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; SCOTT TURNER, in his official capacity as the Secretary of the U.S. Department of Housing and Urban Development; and DOES 1-10,

Defendants.

SECOND DECLARATION OF JESSICA REED

I, Jessica Reed, declare as follows:

1. I am Jessica Reed. I make this Declaration in support of the application of plaintiff Los Angeles Homeless Services Authority ("LAHSA") for preliminary relief in the above-captioned matter. I have personal knowledge of the facts set forth herein and if called as a witness I could and would testify competently thereto.

2. After HUD approves a Consolidated Application and announces awards, it is required to issue grant letters for the chosen projects. Award letters indicate that HUD had conducted its analysis under 24 CFR § 583.235 and approved the renewal of grants to be issued directly to LAHSA.

3. For FY '25, HUD renewed all of LAHSA's FY '25 grants. It announced the renewal of these grants to LAHSA on March 31, 2026, April 27, 2026, and May 21, 2026, and followed up with award letters. A true and correct copy of the March 31, 2026, May 5, 2026 and June 2, 2026 award letter announcements are attached as **Exhibits 1 through 3**, respectively.

4. In the first announcement, as I explained in my June 29, 2026 declaration, the U.S. Department of Housing and Urban Development ("HUD") renewed certain grants for which LAHSA has subgrantees.

5. In the second announcement on April 27, HUD renewed grant CA2445 for LAHSA's CoC Planning Project. HUD's second announcement, dated May 31, 2026, renewed the following four LAHSA grants: CA0325 Los Angeles County HMIS Expansion; CA1195 LA Coc Coordinated Assessment; CA2084 YHDP HMIS Project; and CA1790 Los Angeles CoC DV SSO-CE. Despite these letter announcements and subsequent issuance of award letters to LAHSA, HUD has not yet executed the grant agreement for the CoC Planning Project, and has not issued grant agreements for the other four projects.

6. In total, through these award letters for these five projects, LAHSA was allocated more than $10 million for FY '25 HUD funding, but HUD has not signed

and funded the grant agreements for any 2025 awards made to LAHSA, despite being legally required to do so. Based on the amount awarded by HUD, LAHSA has received match funding commitments in excess of $5.7 million from the City and County of Los Angeles for the period of July 2026 through June 2027. This match funding alone is insufficient to support LAHSA carrying out all ifs LA CoC-delegated functions. Thus LAHSA would not be able to continue to serve the needs of the unhoused in Los Angeles without the additional HUD funds.

7. Given the grant cycle, LAHSA has at least six months (and in some cases longer) remaining to administer HUD funding under already-signed grants. This represents millions of dollars in federal monies. In other words, whether or not the FY ’25 grants are funded, LAHSA can continue to draw down federal funds on the FY ’24 grants through at least the end of the year. As noted above, however, these FY ’24 grants do not fund all of LAHSA’s own duties.

8. LAHSA is relying on the already-awarded HUD funding currently under grant agreement/contract with HUD for some of its functions. The funds needed from HUD include the CoC Planning Grant—which expired on June 30, 2026—is only awarded to LAHSA as the Collaborative Applicant for the LA CoC. The CoC Planning Grant is worth $1.5 million. This funding is used in part to pay for the team that puts together the consolidated application for the LA CoC. LAHSA could also use the Planning Grant to fund certain costs associated with the Point in Time (“PIT”) count it conducts annually. Without renewal of this grant, LAHSA will be irreparably harmed by the inability to pay these team members. LAHSA will also be unable to perform the work that the LA CoC needs done without these individuals.

9. In addition to the grants that have already expired, there are four grants set to expire before this litigation could conclude. There are two different HMIS grants set to expire at the end of October and November 2026 worth over $2.6 million. LAHSA uses these funds in part to pay for the mandatory data system that

HUD requires for all CoC projects, and which is heavily relied on by CoC stakeholder for real-time homelessness response system data. In addition, the Coordinated Entry grant is set to expire on December 31, 2026 and is worth over $2.3 million. LAHSA uses these funds to conduct systemwide matching activities that ensure chronically unhoused individuals and families are referred to permanent supportive housing. The final grant set to expire on December 31, 2026 is for Los Angeles CoC DV SSO-CE and is worth over $2.8 million. LAHSA uses these funds to support regional coordinators providing assistance to survivors of domestic violence and is currently planning to launch a centralized hotline to make it easier for survivors to access housing resources.

10. In addition to the functions noted above, LAHSA uses funds from the planning grant, HMIS grants, and the coordinated entry grants to fund the equivalent of over 57 full-time positions at LAHSA.

11. HUD's suspension threatens to leave LAHSA without the funds it needs to continue operating. Soon LAHSA likely will be facing an urgent lack of funds that may threaten their abilities to continue operating under HUD's suspension notice and may further threaten their current work force.

NOFO 2026

12. As noted previously, LASHA is currently preparing applications for the FY '26 CoC Program NOFO, as both an applicant for individual LAHSA projects and as the CoC's Collaborative Applicant for all CoC projects including those administered by other grant recipients (*e.g.*, HACLA, LACDA, City of Burbank, etc.). HUD's June 18 letter disqualifying LAHSA from serving as the Collaborative Applicant for the LA CoC threatens both applications and disqualifies LAHSA as an individual applicant such that its projects will not be able to be funded in FY '26 as it stands now, even if the suspension and disqualification are overturned at the conclusion of the 30 day periods each letter provided for.

13. On July 16, 2026, I received a notice from HUD announcing a new FY '26 NOFO for the LA CoC. Specifically, the notice provided that the FY '26 NOFO would now permit a "direct-to-HUD application process where HUD has determined that a CoC does not meet the requirements of the CoC program in accordance with 24 CFR 578.13," specifically for the LA CoC (CA-600). It would no longer allow LAHSA to serve as the LA CoC's Collaborative Applicant, or allow an alternate party to operate as the CoC's Collaborative Applicant for Los Angeles. A true and correct copy of the FY '26 NOFO is attached as **Exhibit 4**.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 20th day of July, 2026, at Los Angeles, California.

Signed by:

2EC095A8A9A64CD...

Jessica Reed

EXHIBIT 1

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

March 31, 2026

Ms. Gita O'Neill
Interim Chief Executive Officer
Los Angeles Homeless Services Authority
707 Wilshire Blvd.,10th Floor
Los Angeles, CA 90017

Dear Ms. O'Neill:

Congratulations! I am pleased to inform you that your U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC), Youth Homelessness Demonstration Program (YHDP) Renewal, or Special NOFO project has been renewed for Fiscal Year (FY) 2025 for a total of $4,839,540.

Reducing homelessness and optimizing self-sufficiency are important parts of HUD's mission. CoCs around the country will continue to improve the lives of people experiencing homelessness through their local planning efforts and through the direct provision of housing and service programs. Projects like yours continue to demonstrate their value by improving accountability and performance every year.

The enclosure provides details about your organization's award(s) including: the name(s) of the individual project(s); the project number(s); and the specific amount(s) of the obligation(s) for each project. The Department's field office staff will notify you when they are available to process grant agreements; once all conditions are satisfied and the grant agreement is executed, your organization can expend the funds.

HUD commends your organization's work and encourages it to continue to strive for excellence in serving individuals and families experiencing homelessness.

Sincerely,

Ronald J. Kurtz
Assistant Secretary
Office of Community Planning and Development

Enclosure

CA0347L9D002518
CA0347 California Hotel Apartments
$ 522,713

CA0370L9D002518
CA0370 Targeted Supportive Housing Program - Project 1
$ 153,185

CA0372L9D002518
CA0372 JFS Hope – Hope Transitional
$ 330,143

CA0374L9D002518
CA0374 Fedora Apartments
$ 168,622

CA0515L9D002518
CA0515 Transitional Services Project
$ 287,402

CA2161L9D002503
CA2161 RRH Program for Domestic Violence Survivors
$ 3,377,475

Total Amount: **$4,839,540**

EXHIBIT 2

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

May 05, 2026

Ms. Gita O'Neill
Interim Chief Executive Officer
Los Angeles Homeless Services Authority
707 Wilshire Blvd.,10th Floor
Los Angeles, CA 90017

Dear Ms. O'Neill:

Congratulations! I am pleased to inform you that your U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC), Youth Homelessness Demonstration Program (YHDP) Renewal, or Special NOFO project has been renewed for Fiscal Year (FY) 2025 for a total of $9,815,176.

Reducing homelessness and optimizing self-sufficiency are important parts of HUD's mission. CoCs around the country will continue to improve the lives of homeless people through their local planning efforts and through the direct provision of housing and service programs. Projects like yours continue to demonstrate their value by improving accountability and performance every year.

The enclosure provides details about your organization's award(s) including: the name(s) of the individual project(s); the project number(s); and the specific amount(s) of the obligation(s) for each project. The Department's field office staff will notify you when they are available to process grant agreements; once all conditions are satisfied and the grant agreement is executed, your organization can expend the funds.

HUD commends your organization's work and encourages it to continue to strive for excellence in serving homeless individuals and families.

Sincerely,

Ronald J. Kurtz
Assistant Secretary
Office of Community Planning and Development

Enclosure

CA0352L9D002518
CA0352 Center for Women and Children, Sites A and B - C
$ 131,521

CA0430L9D002518
CA0430 Golden West Hotel
$ 938,675

CA0433L9D002518
CA0433 Penny Lane Permanent Housing Center Program
$ 256,307

CA0450L9D002518
CA0450 Ready, Willing and Able Program
$ 199,533

CA0479L9D002518
CA0479 Steppin Into the Light
$ 177,634

CA0527L9D002518
CA0527 Westside Safe Haven
$ 627,933

CA1879D9D002506
CA1879 Rapid Re-Housing for Domestic Violence Survivors (DV RRH)
$ 3,701,642

CA2026D9D002504
CA2026 Rainbow Services Community Housing Program
$ 1,216,251

CA2027D9D002504
CA2027 Jenesse Center RRH for Survivors
$ 1,065,680

CA2445L9D002500
CA-600 CoC Planning Project FY2024
$ 1,500,000

Total Amount:	**$9,815,176**

EXHIBIT 3

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

June 02, 2026

Ms. Gita O'Neill
Interim Chief Executive Officer
Los Angeles Homeless Services Authority
707 Wilshire Blvd.,10th Floor
Los Angeles, CA 90017

Dear Ms. O'Neill:

Congratulations! I am pleased to inform you that your U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC), Youth Homelessness Demonstration Program (YHDP) Renewal, or Special NOFO project has been renewed for Fiscal Year (FY) 2025 for a total of $63,337,313.

Reducing homelessness and optimizing self-sufficiency are important parts of HUD's mission. CoCs around the country will continue to improve the lives of homeless people through their local planning efforts and through the direct provision of housing and service programs. Projects like yours continue to demonstrate their value by improving accountability and performance every year.

The enclosure provides details about your organization's award(s) including: the name(s) of the individual project(s); the project number(s); and the specific amount(s) of the obligation(s) for each project. The Department's field office staff will notify you when they are available to process grant agreements; once all conditions are satisfied and the grant agreement is executed, your organization can expend the funds.

HUD commends your organization's work and encourages it to continue to strive for excellence in serving homeless individuals and families.

Sincerely,

Ronald J. Kurtz
Assistant Secretary
Office of Community Planning and Development

Enclosure

CA0325L9D002517
CA0325 Los Angeles County HMIS Expansion
$ 2,709,719

CA0341L9D002518
CA0341 CPAF Transitional Housing Program
$ 301,485

CA0345L9D002518
CA0345 Birch Groves Homes
$ 903,159

CA0348L9D002518
CA0348 Carriage House
$ 80,021

CA0353L9D002518
CA0353 CHOISS Program - SPAs 3, 5 & 7
$ 1,538,547

CA0358L9D002518
CA0358 Pomona Operation Porchlight Program
$ 1,242,707

CA0373L9D002518
CA0373 Far East Building
$ 40,496

CA0383L9D002518
CA0383 Gower Street Apartments
$ 884,732

CA0409L9D002518
CA0409 Lamp Lodge
$ 347,745

CA0435L9D002518
CA0435 Permanent Housing Project for Disabled Women
$ 128,228

CA0457L9D002518
CA0457 Kosumosu Transitional Housing
$ 124,563

CA0466L9D002518
CA0466 South Central Access Center
$ 300,486

CA0523L9D002518
CA0523 Vista Nueva Apartments
$ 402,562

CA0993L9D002513
CA0993 Downtown Women's Center - Women's Center Residence
$ 586,362

CA0994L9D002512
CA0994 Housing Works Home First
$ 1,529,067

CA1195L9D002512
CA1195 LA CoC Coordinated Assessment
$ 2,309,433

CA1335L9D002511
CA1335 South Los Angeles Rapid Rehousing Program
$ 2,648,313

CA1336L9D002511
CA1336 Road Home
$ 3,928,440

CA1684L9D002508
CA1684 The Salvation Army CIS Scattered Site PSH
$ 3,680,175

CA1686L9D002508
CA1686 Step Up Los Angeles County
$ 2,486,369

CA1787L9D002506
CA1787 SJWCFC Permanent Supportive Housing Program
$ 1,716,436

CA1789D9D002507
CA1789 Los Angeles CoC DV TH-RRH
$ 5,444,098

CA1790D9D002506
CA1790 Los Angeles CoC DV SSO-CE
$ 2,827,823

CA2027D9D002504
CA2027 Jenesse Center RRH for Survivors
$ 1,065,680

CA2028D9D002504
CA2028 Turning Point Joint TH-RRH Program for Survivors
$ 847,989

CA2080Y9D002503
CA2080 YHDP SSO Outreach and Navigation Project
$ 2,065,140

CA2081Y9D002503
CA2081 YHDP PH-RRH Project
$ 3,465,755

CA2082Y9D002503
CA2082 YHDP TH-RRH Joint Component Project
$ 2,451,781

CA2083Y9D002503
CA2083 YHDP SSO-CE Coordinated Entry System Project
$ 763,759

CA2084Y9D002503
CA2084 YHDP HMIS Project
$ 128,100

CA2163D9D002503
CA2163 Human Trafficking Survivor Rapid Rehousing Program
$ 1,244,535

CA2164D9D002503
CA2164 Rapid Re-Housing for Families Surviving Domestic Violence
$ 897,775

CA2165D9D002503
CA2165 VOALA SHAWL House Joint TH-RRH Project
$ 575,570

CA2280L9D002502
CA2280 LA CoC Bonus PSH Project 1
$ 2,519,177

CA2281D9D002502
CA2281 LA CoC DV Bonus TH-RRH Project
$ 1,614,063

CA2282L9D002502
CA2282 LA CoC Bonus PSH Project 2
$ 9,537,023

Total Amount: **$63,337,313**

EXHIBIT 4

From: SNAPS-COMPETITIONS
To: SNAPS-COMPETITIONS-L@hud.gov
Subject: FY26 CoC NOFO – Notice of Intent to Modify
Date: Thursday, July 16, 2026 2:32:00 PM
Attachments: Outlook-j50mfvj1.png

SUBJECT LINE: FY26 CoC NOFO – Notice of Intent to Modify

The U.S. Department of Housing and Urban Development (HUD) has published the **FY 2026 Continuum of Care Competition and Youth Homeless Demonstration Program grants NOFO**, authorizing homeless services organizations to apply for more than $4 billion in competitive funding to provide supportive services and housing programs for people experiencing homelessness.

On July 16, 2026, HUD provided notice of its intent to modify the FY 2026 Continuum of Care Competition and Youth Homeless Demonstration Program grants NOFO. This modification is not yet effective, but HUD intends to make it effective, via publication on grants.gov, in the next 7 days, pending further agency deliberation. HUD will notify all affected grantees and post public notice on this website.

This modification would include a direct-to-HUD application process for eligible applicants in geographic areas where HUD has determined that a CoC does not meet the requirements of the CoC program in accordance with 24 CFR 578.13. Pursuant to 24 CFR 578.13, if HUD finds a CoC for a geographic area does not meet the requirements of 42 U.S.C. 11360a, or its implementing regulations, HUD may take remedial action to ensure fair distribution of grant funds within the geographic area. This NOFO modification establishes a process for accepting and evaluating applications from eligible applicants within the geographic area in which a CoC has been found by HUD to not meet the requirements of 42 U.S.C. 11360a or its implementing regulations. For the listing of CoCs that HUD has determined do not meet the requirements of the CoC program in accordance with 24 CFR 578.13, please see below:

- CA-600

FY 2026 Application Submission Deadline: August 26, 2026, 8:00 PM ET

NOFO Materials

- NOFO link: FY 2026 Continuum of Care Competition and Youth Homeless Demonstration Program Grants NOFO
- Preview Version of Modified FY 2026 Continuum of Care Competition and Youth Homeless Demonstration Program Grants NOFO
- Preview Version of Appendix III, Application Process and Scoring for Project Applicants in Geographic Areas in which the CoC Has Been Found by HUD to not Meet the Requirements of the Act, Under 42 U.S.C. 11360a(c) or its Implementing Regulations.

##
We hope that you will want to continue receiving information from HUD.
We safeguard our lists and do not rent, sell, or permit the use of our lists by others, at any time, for any reason.

If you wish to be added or removed from this mail list, please go here and follow the instructions to either subscribe or unsubscribe.

Keri Curtis Axel (Bar No. 186847)
kaxel@waymakerlaw.com
Scott M. Malzahn (Bar No. 229204)
smalzahn@waymakerlaw.com
Ashley E. Martabano (Bar No. 236357)
amartabano@waymakerlaw.com
WAYMAKER LLP
515 S. Flower Street, Suite 3500
Los Angeles, California 90071
Telephone: (424) 652-7800
Facsimile: (424) 652-7850

Christopher Pelham (Bar No. 241068)
christopher.pelham@nortonrosefulbright.com
Abigail G. Urquhart (Bar No. 310547)
abigail.urquhart@nortonrosefulbright.com
Alex Scandroli (Bar No. 345278)
alex.scandroli@nortonrosefulbright.com
NORTON ROSE FULBRIGHT US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, California 90071
Telephone: (213) 892-9200
Facsimile: (213) 892-9494

Attorneys for Plaintiff
Los Angeles Homeless Services Authority

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION

LOS ANGELES HOMELESS SERVICES AUTHORITY, a joint powers authority, Plaintiff, v. DONALD J. TRUMP, in his official capacity as President of the United States of America; UNITED STATES	Case No.: 2:26-cv-7056-DOC-AJR **DECLARATION OF KERI CURTIS AXEL IN SUPPORT OF PLAINTIFF'S REPLY IN SUPPORT OF APPLICATION FOR PRELIMINARY RELIEF, TEMPORARY RESTRAINING ORDER, AND PRELIMINARY INJUNCTION, AND MOTION TO STAY AGENCY ACTION PURSUANT TO 5 U.S.C. § 705**

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; SCOTT TURNER, in his official capacity as the Secretary of the U.S. Department of Housing and Urban Development; and DOES 1-10,

Defendants.

Date: **August 6, 2026**
Time: **9:00 a.m.**
Courtroom: **Dept. 1**

First Street Courthouse

DECLARATION OF KERI CURTIS AXEL

I, Keri Curtis Axel, declare as follows:

1. I am an attorney licensed to practice in the State of California. I am a partner with Waymaker LLP ("Waymaker"), counsel to plaintiff Los Angeles Homeless Services Authority ("LAHSA") in this action. I make this Declaration in support of plaintiff's Reply to its Application for Preliminary Relief under 5 U.S.C. § 705, for a Temporary Restraining Order, and for a Preliminary Injunction (the "Application for Preliminary Relief") in the above-captioned matter.

2. I have personal knowledge of the facts set forth herein and if called as a witness I could and would testify competently thereto.

3. Attached as **Exhibit 1** is a true and correct copy of the Declaration of Janine Lim submitted in support of LAHSA's Request for Hearing ("RFH") in Response to the Notice of Suspension of the U.S. Department of Housing and Urban Development's ("HUD") with the attached exhibits omitted. LAHSA submitted the RFH and this supporting declaration on July 10, 2026

4. Attached as **Exhibit 2** is a true and correct copy of the Declaration of Christopher Pelham submitted in support of LAHSA's RFH in response to HUD's Notice of Suspension ("Pelham Declaration"), with the attached exhibits omitted.

5. Attached as **Exhibit 3** is a true and correct copy of Exhibit K to the Pelham Declaration.

6. Attached as **Exhibit 4** is a true and correct copy of the Declaration of Christopher Williams submitted in support of LAHSA's RFH in response to HUD's Notice of Suspension ("Williams Declaration"), with the attached exhibits omitted.

7. Attached as **Exhibit 5** is a true and correct copy of Exhibit E to the Williams Declaration.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 20th day of July, 2026, at Los Angeles, California.

Keri Curtis Axel

EXHIBIT 1

CHRISTOPHER PELHAM (BAR NO. 241068)
ABIGAIL URQUHART (BAR NO. 310547)
ALEX SCANDROLI (BAR NO. 345278)
NORTON ROSE FULBRIGHT US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, California 90071
Telephone: (213) 892-9200
Facsimile: (213) 892-9494
christopher.pelham@nortonrosefulbright.com
abigail.urquhart@nortonrosefulbright.com
alex.scandroli@nortonrosefulbright.com

Attorneys for Plaintiff
LOS ANGELES HOMELESS SERVICES AUTHORITY

LOS ANGELES HOMELESS SERVICES AUTHORITY

REQUEST FOR HEARING IN RESPONSE TO U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S NOTICE OF SUSPENSION

DECLARATION OF JANINE LIM

Pursuant to 28 U.S.C. § 1746, I, Janine Lim, declare that:

1. I am over the age of eighteen and am competent to testify about the matters set forth herein. I have personal knowledge of the matters set forth herein.

2. I am the Los Angeles Homeless Services Authority's (LAHSA) Deputy Chief Financial Officer. As I attested to in my declaration filed in *Los Angeles Homeless Services Authority v. Donald J. Trump, et al.*, Case No. 2:26-cv-07056-DOC (C.D. Cal.) (the HUD Litigation), LAHSA has strong safeguards related to financial management and reporting.

November 2024 Report by L.A. County Auditor-Controller

3. The June 11, 2026 Notice (the June 11 Notice) from the United States Department of Housing & Urban Development (HUD) cites to a November 2024 Review by the Los Angeles County Audit Controller (the 2024 County Review) stating that it "found among other things, that LAHSA misused money from a government funder by using it 'to pay for services provided under another government funders' contract/grant.'"

4. This is inaccurate. As part of the annual financial statement audit which includes the Single Audit, LAHSA requests written funding confirmations from its funding agencies, with the independent auditor copied on these requests to support the revenue reported in the financial statements. The auditor compares LAHSA's recorded expenditures to the confirmed funding to verify that billings are accurate. For the audit period, the independent auditor concluded that LAHSA did not overbill any funding sources. In other words, the annual financial statement audit for the fiscal year ending June 30, 2025 shows that LAHSA complied, in "all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs." A true and correct copy of the FY 2025 Financial Statement Audit is attached hereto as **Exhibit A**. True and correct copies of written audit

confirmations are attached hereto as **Exhibit B**.

5. LAHSA maintains a 5 million dollar flexible fund loan from the Hilton Foundation, which is intended to provide working capital for LAHSA while it awaits receipt of other funding. This fund was used for the two subrecipients identified in Auditor Controller's audit.

6. The June 11 Notice also states, "[t]he County's 2024 review also found that LAHSA routinely pays service providers late, including, in that case, five of thirteen sample contractors." This too has been remediated.

7. A finance department re-organization was executed which addressed delays in contracting. The plan was executed in starting in November 2025 and presented to the LAHSA Commission on December 5, 2025. A true and correct copy of the presentation is attached hereto as **Exhibit C**.

8. Due to the structural reorganization outlined in the presentation, LAHSA has significantly enhanced its contract execution cycle. This year, of the 76 contracts for which agreements have been executed and funding is in hand, 53 contracts (City Alliance and City HHAP 2–5) have been fully executed, representing 61 percent of these contracts. This reflects a significant improvement over the prior year and indicates that the organizational restructuring is yielding positive results. This improvement in execution will mitigate delayed payments from the beginning of the contracting period.

9. The June 11 Notice also states "[i]n another finding of financial mismanagement, the [November] 2024 [County] review [] notes that, in 2017, LAHSA failed to secure repayment agreements with service providers that received a total of $51 million in cash advances." It further states, "[b]y July 2024, only a small fraction of that money had been paid back, and some providers were no longer contracting with LAHSA, making recovery more difficult."

10. This summary omits that LAHSA disagreed with the County's recommendation because the County does not require LAHSA to recoup the funds

annually nor was there a requirement to recoup certain funds by July 2024.

11. Specifically, the relationship between LAHSA and the County is governed by an Operating Agreement dated September 1, 2017. HUD omits that there was no requirement under the Operating Agreement to enter into formal repayment agreements with subrecipients so this was not indicative of a failure by LAHSA to administer funds consistent with County requirements. A true and correct copy of the Operating Agreement is attached hereto as **Exhibit D**.

12. HUD also omits that LAHSA took the initiative to start making formal agreements with recoupment schedules during Fiscal Year 2023-2024. LAHSA has since implemented formal repayment agreements with all subcontractors. However, as noted and as it appears was conceded by the County in the response, LAHSA was materially compliant with the terms of the Operating Agreement.

13. LAHSA has been diligently working on recoupment and as of June 18, 2026, had recovered 49% of all funds. A true and correct copy of the June 18, 2026 Agenda and Notice of a Special Public Meeting of the Finance Committee detailing this statistic is attached hereto as **Exhibit E**.

February 20, 2026 LAist Report

14. The June 11 Notice cites to a February 20, 2026 LAist article, stating "it was recently reported that LAHSA had failed to produce a summary of unpaid bills requested by one of its own Commissioners, such that the Commissioner resorted to filing a public records request,"

15. The June 11 Notice omits that LAHSA provides aggregate accounts payable (i.e., unpaid bills)to the Finance Committee on a monthly basis. Additionally, this Commissioner was provided with funder-level aging payables information, meaning that information on unpaid bills were organized by funding source.

16. From February 27, 2026 through April 6, 2026, LAHSA emailed

service providers on a weekly basis with an update on the outstanding payables by funding source. LAHSA circulated those emails until the accounts payable backlog was cleared. A true and correct copy of an example of one of those emails is attached hereto as **Exhibit F**.

17. Moreover, as described at length above, LAHSA's restructuring related to contract execution and invoicing has greatly improved the accounts payable issues.

February 20, 2026 Finance Committee Meeting

18. The June 11 Notice cites to a February 20, 2026 Finance Committee Meeting stating "LAHSA's inability to make timely payments to providers has shown little or no improvement. In recent months, LAHSA and City staff have reported that LAHSA owed roughly $69 million in payments to shelter, housing, and other service providers, many of which are more than 90 days overdue."

19. As described in my declaration filed in the HUD Litigation, while the CoC Program operates under a cost reimbursement funding model, the federal drawdown process is significantly more timely than many local reimbursement processes. In a typical local reimbursement arrangement, the service provider incurs the expense, records those expenses, submits an invoice to LAHSA. Then LASHA record those expenses, then includes those expenses in a reimbursement request to the funder, and then LAHSA waits for the funder to review and pay that request. During this waiting period, the amounts invoiced to LAHSA by service providers but not yet been reimbursed show up as "accounts payable" or unpaid obligations tied to that funding source, which can age beyond 30 days if the funder pays slowly.

20. By contrast, under the CoC Program's federal process, LAHSA draws funds directly from HUD's eLOCCS system, and those funds are generally deposited within about three business days. Because the money arrives quickly once drawn, LAHSA can pay service providers without long delays. As a result,

the dollar value of unpaid invoices or obligations tied specifically to federal CoC funding is typically lower, and those unpaid amounts rarely age past 30 days. In practical terms, there is simply less "federal accounts payable" sitting on LAHSA's books at any given time, because HUD's eLOCCS drawdown mechanism allows LAHSA to access and use federal funds promptly rather than waiting weeks or months for reimbursement from a local funder.

21. It is important to note that the Finance Committee held on March 20, 2026 report on LAHSA Financial Position speaks to the $69 million accounts payable referenced. Federal accounts payable at that time accounted for only at $1.1 million, while the City and County accounted for $43M and $23M respectively. A true and correct copy of the finance committee agenda and supporting documents is attached hereto as **Exhibit G**.

April 10, 2026 Homelessness Committee Meeting

22. The June 11 Notice cites to an April 10, 2026 Homelessness Committee Meeting stating "City staff recently described the ineffective flow of money 'back and forth and around and around in circles' between the City and LAHSA."

23. HUD omits that this issue is in part attributable to a City practice, not to action or inaction by LAHSA. Under the City's funding structure, the City provides LAHSA with a cash advance for the first quarter (Q1). LAHSA then uses those funds to pay service provider invoices in Q2 based on expenditures incurred during Q1. Following that cycle, LAHSA is required to reconcile any unspent Q1 funds and return the balance to the City. Rather than permitting LAHSA to carry forward the unexpended balance to the next quarter, the City requires LAHSA to return the funds in full.

24. The relevant entity addressed in this meeting was Hope the Mission. Hope the Mission's aged payables were primarily from City Measure A. A true and correct copy of a April 13, 2026 accounts payable report showing Hope the

Mission's Aged Payable is attached hereto as **Exhibit H**.

25. As of July 2, 2026 , Hope the Mission's accounts payable is reduced to $1 million. The reduction of their AP was resolved by payments being received by City Measure A. A true and correct copy of the July 2, 2026 accounts payable report for Hope the Mission is attached hereto as **Exhibit I.**

26. The first payment for City Measure A came for the fiscal year 2025/2026 which began on July 1, 2026 was released by the City on Feb 9, 2026. This was intended to be the Q1 payment but was not received until Q3. The Q2 payment intended for October 2026 was released by the City on June 3, 2026. Q3 and Q4 on June 23, 2026. True and correct copies of the payment notifications from the City for City Measure A demonstrating the timing of that payment against the service period those invoices that it covered is attached hereto as **Exhibit J.**

27. As noted, a significant driver of this issue was a City practice. However, the City has agreed to change its policy regarding cash flow and allow LASHA to retain the funds until the close of the contract period. While LAHSA is still awaiting documentation from the City, the City approved a different cash advance structure this fiscal year. The City will provide 25% one-time advance in the beginning of the contract period, which does not have to begin to be re-paid until the 8th month of service of contract period. Last year, the advance model complex, which monthly advances issued needed recoupment processes monthly. Also, late payment from the City hindered the monthly advance disbursement. A true and correct copy of the advance model is attached hereto as **Exhibit K**.

28. The City has demonstrated meaningful improvements in its contracting and funding processes compared to prior fiscal years. In prior years LAHSA has not received funder agreement from the City before the beginning of the fiscal year. This year, funder agreements have been executed on a significantly earlier timeline, enabling LAHSA to correspondingly accelerate contract

execution and funding distribution to service providers. This shift has materially improved planning and operational readiness across the provider network. True and correct copies of examples of contracts that the City has executed in advance of the July 1 fiscal year start are attached hereto as **Exhibit L**.

29. In addition, the City has made substantial progress in the timing of fund availability. Portions of funding have been made accessible in advance of the fiscal year, and there has been a consistent, demonstrated effort to ensure that all funding sources are available earlier than in previous years. These enhancements reflect a strong commitment to process improvement and have positively impacted LAHSA's ability to support uninterrupted service delivery.

Provider Bankruptcy

30. The June 11 Notice states that "LAHSA's providers have reportedly considered layoffs or even bankruptcy filings due to the delayed payments."

31. LAHSA is not aware of any bankruptcies or shutdowns by any providers.

Layoffs

32. The June 11 Notice states "[t]he LA City Council is considering doing the same and its homelessness committee has already recommended transferring at least some funding away from LAHSA. As a result, LAHSA announced in April 2026 that it will lay off 284 employees and eliminate 130 vacant positions."

33. This is inaccurate. LAHSA's layoffs were almost entirely caused by the loss of funding by Los Angeles County–not any potential motion separating LAHSA from the City of Los Angeles. Indeed, the City has significantly increased its funding for LAHSA for the fiscal year 2026-2027 in part, to help cover gaps in funding based on the County's significant withdrawal of funds.

34. Many of the individuals that were subject to LAHSA's layoffs have since been offered employment at Los Angeles County performing similar functions.

FY 2025 Single Audit

35. The June 11 Notice states "[i]n March 2026, LAHSA missed the deadline for filing its federally mandated Single Audit, in part because it could not timely produce financial records to its auditor."

36. As noted in my declaration filed in the HUD Litigation, this is inaccurate because LAHSA timely produced records.

37. LAHSA produced all standard financial records as required for the Single Audit to its independent auditor prior to the March 31, 2026 filing deadline. On March 25, 2026, LAHSA inquired of its independent auditor, CliftonLarsonAllen LLP (CLA), regarding the status of the audit and the timeline for completion of CLA's detailed review and principal review. A true and correct copy of my March 25, 2026 email is attached hereto as **Exhibit M**. CLA only delivered a draft to LAHSA on April 3, 2026 – after the March 31, 2026 deadline. A true and correct copy of my March 25, 2026 email is attached hereto as **Exhibit N.**

38. In response to the FY 2025 Single Audit, LAHSA developed a corrective action plan. A true and correct copy of the corrective action plan is attached hereto as **Exhibit O**.

39. LAHSA has instituted a comprehensive process with concrete deadlines that it follows to promote timely close out of grant agreements, which impacted the timing of the closing of the financial period during the FY 2025 audit. A true and correct copy of the closing calendar is attached hereto as **Exhibit P**.

40. The Single Audit did not identify any instance where LAHSA failed to comply with federal laws or contractual obligations.

May 21, 2026 County Auditor Controller Review

41. The June 11 Notice states "[a]nd on May 21, 2026, the County's Auditor-Controller released a financial and operational process review (the 2026

County Review) of LAHSA, covering the period following LAHSA's FY2025 Single Audit. The Auditor-Controller faulted LAHSA for its limited financial transparency, for having incomplete and inaccurate financial records, for deficiencies in cash management, for its volume of overdue payments to service providers, for failing to submit timely requests to LA County for advance funding to pay providers, for accepting late invoices from providers-83% of the invoices reviewed-and for failing to identify overpayments and underpayments and recoup excess advances at the end of each fiscal quarter."

42. LAHSA respectfully disagrees with the characterization of these issues as internal control failures and cash management issues attributable solely to LAHSA. The relevant grant agreements establish specific reporting, invoicing, funding request, and reconciliation requirements. LAHSA complies with those requirements and, in several areas, provides reporting and monitoring beyond the minimum contractual obligations. Moreover, the Auditor-Controller's review only concerned cash management for state and local funding, which as I previously explained, those funding sources are often beset by a number of structural externalities that are beyond LAHSA's control.

43. LAHSA does not agree that its financial reporting reflects limited transparency or incomplete or inaccurate records.

- The 2026 County Review did not identify any instance in which the Dept. of Homeless Services and Housing (HSH) reported that LAHSA failed to submit required financial reports, submitted incomplete reports, or submitted inaccurate reports. HSH is the County department to which LAHSA submits the required financial reporting under the grant agreements.
- The County grant agreements require LAHSA to submit various financial reports, including monthly invoices and quarterly disbursement and delinquency reports. LAHSA submits all required reports in accordance

with the grant agreements and exceeds certain reporting requirements. For example, although disbursement and delinquency reports are required quarterly, LAHSA submits them monthly, providing the County with more frequent financial information and enhanced transparency.

- The Auditor-Controller's characterization appears to stem, in part, from requests that LAHSA reproduce documents already submitted to HSH in accordance with grant requirements. Rather than obtaining those records directly from HSH, the Auditor-Controller required LAHSA to gather and resubmit the same documentation, creating unnecessary and duplicative administrative work. As a result, LAHSA document submissions to the - Auditor-Controller were not always submitted by the the County's tight deadlines.
- LAHSA also informed the Auditor-Controller that the review coincided with the most intensive period of LAHSA's annual financial statement audit and Single Audit, while LAHSA was simultaneously responding to multiple other funder audits. LAHSA explained that the additional audit demands would exceed current staffing capacity and affect response timelines, and requested that the audit be rescheduled until after completion of the annual audits. Nonetheless, the Auditor-Controller proceeded and requested a substantial volume of records already provided to the County through HSH.

44. LAHSA does not agree that the identified cash management concerns are soley attributable to deficiencies in LAHSA's internal cash management practices.

- The 2026 County Review did not identify comparable cash management issues related to federal funds, which are processed through a more streamlined drawdown and disbursement model. By contrast, local funding delays are also substantially driven by funder-imposed payment structures and approval processes.

- Under the County-administered model, LAHSA is unable to directly receive funds into its operating accounts. Instead, funds are maintained in County-controlled accounts, and LAHSA does not have real-time visibility into available balances without submitting a request and obtaining confirmation from the County. Requests for drawdown are subject to County review, which may take up to 10 business days. Following approval, LAHSA must then await the transfer of funds into its bank account. Certain City funding sources impose similar delays, including multi-agency invoice review and approval requirements.
- These processes are external to LAHSA and materially affect provider payment timing. LAHSA's role is to submit required documentation, comply with funder requirements, and issue payments once funds are made available.

45. LAHSA does not agree that it improperly accepted provider invoices or failed to align invoicing practices with contractual requirements.

- LAHSA's provider agreements reflect funder-established invoicing requirements. For example, County grant provisions allow providers until the fifteenth day of the month following the service month to submit invoices for allowable costs incurred, and LAHSA incorporates those requirements into its provider contracts.
- LAHSA is responsible for internal controls, including its own invoice review, approval, and payment processes, but the controls of external agencies are beyond LAHSA's span of control. LAHSA is not accountable for the administrative processes of service providers. However, to support timely submission, LAHSA notifies providers when invoices are late, reinforces contractual timelines, and provides technical assistance to address invoicing bottlenecks, improve accuracy, and

expedite payment processing.

46. LAHSA does not agree that it fails to identify overpayments, underpayments, or recoup amounts as required.

- LAHSA disputes the assertion that it fails to identify overpayments, underpayments, or recoupment amounts. At the time in question, the fiscal year had not yet closed; therefore, final determinations of overpayments or underpayments could not be made until completion of the year-end reconciliation process.
- Additionally, LAHSA maintains and submits a monthly delinquency report the County that tracks both individual provider and aggregate service expenditures against advances issued year-to-date. This reporting mechanism is specifically designed to monitor variances and would identify any potential overpayments or underpayments, thereby informing subsequent reconciliation and recoupment actions. A true and correct copy of the April 2026 Measure A Delinquency Report is attached hereto as **Exhibit Q**.

Alvarez & Marsal Public Sector Services' (A&M) Assessment

47. The Notice discusses an Independent Assessment of City-Funded Homelessness Assistant Programs Conducted by Alvarez and Marcel ("A&M Assessment") in the LA Alliance for Human Rights, et al. v. City of Los Angeles, et al., Case No. 2:20-cv-02291 (C.D. Cal.) (the LA Alliance case). Specifically, the Notice states "During the 2025 assessment, LAHSA failed to provide documentation to verify the existence of nearly 2,300 housing sites for which it was responsible. Seventy percent of the contracts for those sites did not disclose any expenses over the prior year." This underlying A&M Assessment upon which it relies is inaccurate.

48. The specific language in the A&M Assessment states, "95 contract for the 2,293 'Scattered Sites' (representing approximately 30% of all open and

occupiable beds) reported by the City as of June 30, 2024. Of the contracts identified by LAHSA, approximately 70% did not report financial expenditures in FY 2023-24." (Notice Exhibit 19, p. 64). This is inaccurate.

49. A&M was unable to grasp the foundational principals of LAHSA's contracting system, as evidenced by the statement, "LAHSA was unable to identify all relevant service provider contracts and expenses under the Roadmap Program," p. 4. As a result of this misunderstanding, A&M was unable to properly analyze LAHSA's expenses as applied to those contracts. In fact, LAHSA uses a naming convention that allows it to easily identify contracts type and corresponding expenses. Each program component type has a distinct identifier as part of the contract naming convention. BH-RIH is included in the contract number for all Roadmap Interim Housing contracts. BH represents Bridge Housing and the RIH represents Roadmap Interim Housing. There are also Roadmap Interim Housing projects for Tiny Home Village ("THV"). Additionally, EGMS reporting includes the program component name for each contract. For these contracts, they are listed in three distinct and clear variations. When filtering spenddown or contract reports for these contract types in the information provided to A&M, they should have been able to clearly identify all contracts within this portfolio and the associated expenditures. I currently cannot ascertain what specific contracts A&M was analyzing and how it came to that conclusion, but given the lack of understanding of these foundational principals of contract naming conventions, there is reason to question the veracity of this statement.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: Jul 10, 2026

JANINE LIM
Deputy Chief Financial Officer at the Los Angeles Homeless Services Authority

EXHIBIT 2

CHRISTOPHER PELHAM (BAR NO. 241068)
ABIGAIL URQUHART (BAR NO. 310547)
ALEX SCANDROLI (BAR NO. 345278)
NORTON ROSE FULBRIGHT US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, California 90071
Telephone: (213) 892-9200
Facsimile: (213) 892-9494
christopher.pelham@nortonrosefulbright.com
abigail.urquhart@nortonrosefulbright.com
alex.scandroli@nortonrosefulbright.com

Attorneys for Plaintiff
LOS ANGELES HOMELESS SERVICES AUTHORITY

LOS ANGELES HOMELESS SERVICES AUTHORITY

REQUEST FOR HEARING IN RESPONSE TO U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S NOTICE OF SUSPENSION

DECLARATION OF CHRISTOPHER PELHAM

Pursuant to 28 U.S.C. § 1746, I, Christopher Pelham, declare that:

1. I am over the age of eighteen and am competent to testify about the matters set forth herein. I have personal knowledge of the matters set forth herein.

2. I am a partner at the law firm of Norton Rose Fulbright US LLP ("NRF"). I am duly licensed to practice law in the State of California. I submit this declaration in support of the Request for Hearing submitted by the Los Angeles Homeless Services Authority ("LAHSA") to the United States Department of Housing and Urban Development ("HUD"). I have personal knowledge of the matters set forth herein, and if called upon to do so, I could and would competently testify thereto.

3. LAHSA engaged NRF on March 12, 2025 to conduct a privileged and confidential review of allegations of a potential conflict of interest involving then-CEO Dr. VaLecia Adams Kellum and LAHSA subgrantee Upward Bound House ("UBH"), and I served as lead partner overseeing NRF's review. As a result of that engagement and NRF's ongoing representation of LAHSA, I am familiar with the relevant facts and circumstances described herein, as well as the documents and materials attached hereto as exhibits.

4. LAHSA is the lead agency responsible for coordinating homelessness services, outreach, and housing assistance across the City and County of Los Angeles. LAHSA was created in 1993 as a Joint Powers Authority arising from City and County disputes and related litigation about responsibilities for addressing homelessness.

5. LAHSA is governed by a Board appointed by the County Board of Supervisors and the City of Los Angeles—through the Mayor and City Council—and it coordinates homelessness outreach and services across a large, multi-jurisdictional region.

6. LAHSA serves as the Los Angeles Continuum of Care's collaborative

applicant to HUD and performs core system functions, including coordinating housing and services in Los Angeles and disbursing funds to service providers.

7. On June 11, 2026, HUD issued a notice of immediate suspension to LAHSA (the "Suspension Letter"), which stated, among other things, that LAHSA may not carry out Los Angeles Continuum of Care ("CoC") delegated programmatic functions, that LAHSA is no longer eligible to serve as collaborative applicant, and that LAHSA may not apply for funding under the FY 2026 CoC Competition and Youth Homelessness Demonstration Program Grants NOFO. Attached hereto as **Exhibit A** is a true and correct copy of the June 11, 2026 Suspension Letter issued by HUD to LAHSA.

8. The Suspension Letter references statements purportedly made by the Honorable David O. Carter at a November 12, 2025 hearing in the matter pending before Judge Carter, and characterizes those statements as a finding that LAHSA committed "obvious fraud."

9. The transcript of the November 12, 2025 hearing before Judge Carter demonstrates that Judge Carter did not state that LAHSA committed "obvious fraud." Rather, Judge Carter posed a hypothetical about a potential "obvious fraud" finding in connection with a forthcoming report regarding an 88-bed provider site and a dispute over the Special Master's monitoring. The transcript, fairly read, reflects a colloquy about ongoing monitoring processes—not a judicial determination that LAHSA engaged in fraudulent conduct. Attached hereto as **Exhibit B** is a true and correct copy of relevant excerpts from the transcript of the November 12, 2025 hearing before the Honorable David O. Carter, which I downloaded from Dkt. No. 1076 in *LA Alliance for Human Rights, et al. v. City of Los Angeles, et al.*, Case No. 2:20-cv-2291 (C.D. Cal.) (the "Alliance Litigation")

10. Attached hereto as **Exhibit C** is a true and correct copy of an article, published by the L.A. Times on January 1, 2025, titled "Think twice before breaking up the Los Angeles Homeless Services Authority."

11. Attached hereto as **Exhibit D** is a true and correct copy of a release by LAHSA published on December 6, 2024 (updated on February 14, 2025).

12. Attached hereto as **Exhibit E** is a true and correct copy of an online notice by LAHSA to Service Providers.

13. Attached hereto as **Exhibit F** is a true and correct copy of a Press Release from the Mayor of Los Angeles announcing the hiring of Dr. Va Lecia Adams Kellum as the CEO of LAHSA published on January 23, 2023.

14. Attached hereto as **Exhibit G** is a true and correct copy of a LAHSA information webpage on FY 2024 & 2025 CoC Program's Notice of Funding Opportunity published on March 14, 2024 (updated on June 11, 2025).

15. The Suspension Letter references a purported ongoing investigation by the HUD Office of the Inspector General ("HUD-OIG") as a basis for the suspension, but provides no detail regarding what suspected conduct by LAHSA the investigation encompasses. To wit, the only pending HUD-OIG investigation of which LAHSA is aware does not relate to fraud or misconduct at LAHSA itself, but instead arises from potential malfeasance at a small number of LAHSA service providers.

16. I am only aware of the below-described active investigation or review of LAHSA by HUD-OIG.

17. On June 22, 2026, HUD-OIG sent to LAHSA Interim CEO Gita O'Neil the "Audit Notification" letter attached hereto as **Exhibit H**. The letter notifies LAHSA that HUD-OIG is "initiating an audit of [LAHSA with the objective] of determin[ing] whether LAHSA's Continuum of Care subrecipients expended grant funds in accordance with program requirements. Our review will cover the 2023 and 2024 CoC grant years." The Audit Notification identifies five LAHSA subrecipients as to which HUD-OIG seeks records.

18. Audit Notification requests, among other items, certain LAHSA records related to those five subrecipients, such as agreements and amendments,

disbursement records, and results of monitoring.

19. On July 7, 2026, representatives of LAHSA and HUD-OIG participated in an "entrance conference" to discuss the start of the aforementioned HUD-OIG audit. I also participated. During the conference, HUD-OIG reiterated that the focus of its audit, at least in part, is on the conduct and spending of the five subrecipients.

20. Attached hereto as **Exhibit I** is a true and correct copy of a May 28, 2025 Transcript for an Evidentiary Hearing regarding settlement compliance, which I downloaded from Dkt. No. 949 in the Alliance Litigation.

21. During the April 1, 2025 meeting of the Los Angeles County Board of Supervisors, the County voted to separate from LAHSA. Although much of the discussion at that meeting focused on perceived shortcomings of LAHSA, certain statements made by Supervisor Kathryn Barger during the meeting are relevant to LAHSA's role and continued importance. Specifically, Supervisor Barger acknowledged LAHSA's foundational role as a Joint Powers Authority, its centrality to the Continuum of Care, and the ongoing need for the organization. Attached hereto as **Exhibit J** is a true and correct copy of relevant excerpts from the transcript of the April 1, 2025 Los Angeles County Board of Supervisors meeting.

22. Attached hereto as **Exhibit K** is a true and correct copy of the June 18, 2026 LAHSA Budget Update.

23. Attached hereto as **Exhibit L** is a true and correct copy of a LAHSA webpage titled "About LAHSA."

24. Attached hereto as **Exhibit M** is a true and correct copy of a LAHSA webpage titled "Commission."

25. Attached hereto as **Exhibit N** is LAHSA's March 24, 2025 letter to Judge Carter responding the Second Amended Draft of the Alvarez & Marsal Assessment.

26. Attached hereto as **Exhibit O** is a true and correct copy a June 3, 2025 Evidentiary Hearing, which I downloaded from Dkt. No. 969 in the Alliance Litigation.

27. Attached hereto as **Exhibit P** is a March 10, 2025 email from Mary Kate Bevel, the Community Planning & Development Representative for the U.S. Department of Housing & Urban Development, to LAHSA.

28. Dr. Adams Kellum did not sign the UBH contract approved for execution at the October 2024 Commission meeting. Attached hereto as **Exhibit Q** is a true and correct copy of the UBH contract.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: July 10, 2026

Christopher Pelham

EXHIBIT 3

EXHIBIT K

LAHSA

Finance Committee

LAHSA Budget Update

Los Angeles Homeless Services Authority

Christina Hill, Director of Finance

Budget and Financial Planning Unit (BFP)

June 18, 2026

FY 2025-26 Budget vs Actuals

LAHSA Administrative, Direct Program and Service Provider

FY 2025-26: Mid-Year Approved Budget

- $912.8 Million total
- 5.3% avg. admin rate across all funding sources

- $142.5 Million LAHSA Operating Budget
  - $48.1 Million LAHSA Administrative
  - $94.4 Million LAHSA Direct Program

LOS ANGELES HOMELESS SERVICES AUTHORITY (LAHSA)

FY 2025-26 Mid-Year Budget

	Administrative	% Admin of Funding	Direct Program	Service Providers	Totals	% Share Budget
Federal	$ 543,968	1%	$ 9,680,858	$ 69,450,999	$ 79,675,825	9%
State	$ -	0%	$ 18,593,390	$ 66,694,779	$ 85,288,170	9%
County	$ 31,056,104	8%	$ 42,654,853	$ 333,794,550	$ 407,505,506	45%
City	$ 16,301,380	5%	$ 22,040,527	$ 300,462,502	$ 338,804,408	37%
Private	$ 150,000	10%	$ 1,414,854	$ -	$ 1,564,854	0.2%
Totals	$ 48,051,451	5.3%	$ 94,384,482	$ 770,402,830	$ 912,838,763	100%
		5.3%	10.3%	84.4%		

LAHSA

Report date 6/01/2026.

FY 2025-26 LAHSA
Budget vs Actuals through April 30, 2026

	FY 2025-26 Mid-Year Budget	Pending	Revised Budget	% Funding	Year-to-Date Budget		Actuals		Prior FY 2024-25 % Spent
LAHSA Administrative	**$ 48,051,451**	**$ -**	**$ 48,051,451**	**5.3%**	**$ 40,042,876**	83%	**$ 31,462,126**	**65%**	**69%**
Rehousing System Administration	$ 19,573,411	$ -	$ 19,573,411	2%	$ 16,311,176	83%	$ 15,025,101	77%	70%
Infrastructure & Internal Services	$ 28,478,040	$ -	$ 28,478,040	3%	$ 23,731,700	83%	$ 16,437,024	58%	69%
LAHSA Direct Program	**$ 94,384,483**	**$ 5,762,918**	**$ 100,147,401**	**11.0%**	**$ 83,456,167**	83%	**$ 75,874,944**	**76%**	61%
Service Providers	**$ 770,402,830**	**$ (5,762,918)**	**$ 764,639,912**	**83.8%**	**$ 637,199,927**	83%	**$ 439,037,242**	**57%**	64%
Totals	**$ 912,838,764**	**$ -**	**$ 912,838,764**	**100%**	**$ 760,698,970**	**83%**	**$ 546,374,312**	**60%**	**64%**

Los Angeles HOMELESS SERVICES AUTHORITY
"We drive the collaborative strategic vision to create solutions for the crisis of homelessness grounded in compassion, equity, and inclusion".

***Service Provider** actuals reflect posted transactions in LAHSA's General Ledger of $439M. An additional $25.9 M of service provider invoices are currently routing and being processed,* resulting in a total of $464.9M *(bringing it to 61%). See item 3.2 for additional detail on Service Provider Expenditures.*

Note: Budget Modification shifting $5.7M unallocated Measure A Interim Housing funding towards Master Leasing Operations.

***Rehousing System Administration** – Includes Funding, Procurement & Allocation, Contract Performance & Compliance, Payment Reimbursement Processing, etc.*

***Infrastructure & Internal Services** – Includes Fixed Non-Personnel Cost and Support Departments such as Human Resources*

FY 2025-26 LAHSA Administrative Budget vs Actuals through April 30, 2026

	FY 2025-26 Mid-Year Budget			YTD Budget			Actuals			Prior FY 2024-25 % Spent
LAHSA Administrative Expenditures										
Personnel Expenditures	$	33,643,411	70%	$	28,036,176	83%	$	24,517,630	73%	76%
Professional Service Contracts	$	2,200,872	5%	$	1,834,060		$	1,184,046	54%	34%
Office Technologies	$	4,376,347	9%	$	3,646,956		$	1,306,294	30%	60%
Office Expenses	$	4,603,509	10%	$	3,836,258		$	3,754,679	82%	81%
Rent	$	2,762,031	6%	$	2,301,693		$	657,498	24%	75%
Travel and Training	$	465,282	1%	$	387,735		$	41,978	9%	17%
Totals	$	48,051,451	100%	$	40,042,876	83%	$	31,462,126	65%	69%

Los Angeles HOMELESS SERVICES AUTHORITY
LAHSA
"We drive the collaborative strategic vision to create solutions for the crisis of homelessness grounded in compassion, equity, and inclusion".

Rent – Include $2M increased budget earmarked for lease buy-out currently being negotiated, approved via Mid-Year Budget.

Report date 6/01/2026.

FY 2025-26 LAHSA Administrative (Rehousing System Administration) Budget vs Actuals as of April 30, 2026

	FY 2025-26 Mid-Year Budget			YTD Budget			Actuals		
LAHSA Administrative Expenditures									
Personnel Expenditures	$	16,321,812	83%	$	13,601,510	83%	$	12,820,051	79%
Professional Service Contracts	$	346,370	2%	$	288,641		$	294,313	85.0%
Office Technologies	$	2,081,854	11%	$	1,734,878		$	541,796	26.0%
Office Expenses	$	453,877	2%	$	378,231		$	242,625	53%
Rent	$	241,143	1%	$	200,953		$	206,109	85%
Travel and Training	$	128,355	1%	$	106,963		$	25,914	20.2%
Totals	**$**	**19,573,411**	**100%**	**$**	**16,311,176**	**83%**	**$**	**14,130,808**	**72%**

FY 2025-26 LAHSA Administrative (Infrastructure & Internal Services) Budget vs Actuals as of April 30, 2026

	FY 2025-26 Mid-Year Budget			YTD Budget			Actuals		
LAHSA Administrative Expenditures									
Personnel Expenditures	$	17,321,598	61%	$	14,434,665	83%	$	11,697,579	68%
Professional Service Contracts	$	1,854,502	7%	$	1,545,418		$	889,734	48.0%
Office Technologies	$	2,294,493	8%	$	1,912,078		$	764,497	33.3%
Office Expenses	$	4,149,632	15%	$	3,458,027		$	3,512,054	85%
Rent	$	2,520,888	9%	$	2,100,740		$	451,389	18%
Travel and Training	$	336,927	1%	$	280,773		$	16,064	4.8%
Totals	**$**	**28,478,040**	**100%**	**$**	**23,731,700**	**83%**	**$**	**17,331,318**	**61%**

Rehousing System Administration – Inclusive of Contracting, Grants Management, Payment Reimbursement Processing, etc.

Infrastructure & Internal Services – Inclusive of Fixed Non-Personnel Cost and Support Departments such as Human Resources etc.

Report date 6/01/2026.

FY 2025-26 LAHSA-run Programs
Budget vs Actuals as of April 30, 2026

LAHSA-run Programs	FY 2025-26 Mid-Year Budget: Mid Year Budget	Pending	Revised Budget	%	YTD Budget	%	Actuals	%	Prior FY 2024-25 % Spent
HMIS	$ 7,832,744		$ 7,832,744	8%	$ 6,527,287		$ 6,117,427	78%	63%
Homeless Count	$ 2,215,003		$ 2,215,003	2%	$ 1,845,836		$ 1,321,802	60%	60%
Outreach & Access	$ 22,603,988		$ 22,603,988	24%	$ 18,836,657		$ 18,615,048	82%	80%
Coordinated Entry System, Planning and DV/IPV *(includes HUD + Cash Match)*	$ 7,315,163		$ 7,315,163	8%	$ 6,095,969		$ 4,405,943	60%	91%
Interim Housing & Emergency Response *(includes Performance Management)*	$ 10,187,357		$ 10,187,357	11%	$ 8,489,464		$ 7,387,810	73%	64%
Permanent Housing *(includes Prevention, Housing Navigation, TLS & Performance Management)*	$ 8,158,223		$ 8,158,223	9%	$ 6,798,519		$ 5,889,182	72%	71%
Broadway Navigation Center	$ 3,422,332		$ 3,422,332	4%	$ 2,851,943	83%	$ 2,791,687	82%	86%
LAHSA Multidisciplinary Crisis Response Team	$ 3,438,425		$ 3,438,425	4%	$ 2,865,354		$ 2,223,715	65%	48%
Master Leasing/Unit Acquisition	$ 23,052,746	$ 5,762,918	$ 28,815,664	24%	$ 24,013,054		$ 22,820,555	79%	40%
Capacity Building	$ 1,332,590		$ 1,332,590	1%	$ 1,110,491		$ 1,071,474	80%	38%
Problem Solving *(includes Financial Assistance)*	$ 2,362,630		$ 2,362,630	3%	$ 1,968,858		$ 1,733,640	73%	98%
Technology	$ 545,735		$ 545,735	0.6%	$ 454,779		$ 348,341	64%	44%
Regional Coordination *(includes Youth Coordination)*	$ 1,382,334		$ 1,382,334	1.5%	$ 1,151,945		$ 1,020,557	74%	94%
Community Opportunity	$ 535,214		$ 535,214	0.6%	$ 446,011		$ 127,764	24%	0%
Totals	**$ 94,384,482**	**$ 5,762,918**	**$ 100,147,400**	**100%**	**$ 83,456,168**	**83%**	**$ 75,874,944**	**76%**	**59%**

Los Angeles HOMELESS SERVICES AUTHORITY
"We drive the collaborative strategic vision to create solutions for the crisis of homelessness grounded in compassion, equity, and inclusion".

Capacity Building: Prior fiscal year expenditures as a percentage of budget were lower due to the inclusion of multi-year projects that were subsequently deprioritized or no longer had funding available. Resources were redirected to support Transitional Living Services (TLS) slot ramp-down activities in FY 2025–26

Report date 6/01/2026.

Appendices

Appendix 1

Expenditure by GL Categories & Month (Admin & Direct Program)

LAHSA

FY 2025-26 LAHSA Administrative
Expenditure by GL Categories through April 30, 2026

Expense Category	General Ledger	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	Total	
Personnel Expenditures	Salary Expenses	$ 1,961,341	$ 1,870,527	$ 1,899,440	$ 1,840,355	$ 1,741,348	$ 1,829,870	$ 1,832,096	$ 1,838,584	$ 1,831,467	$ 1,788,305	$ 18,433,333	$ 24,517,630
	Contingent Staff	$ 89,655	$ 94,029	$ 54,601	$ 81,497	$ 37,370	$ 48,027	$ 52,194	$ 52,557	$ 58,417	$ 68,334	$ 636,680	
	Employer Payroll Taxes	$ 144,907	$ 142,593	$ 140,862	$ 131,491	$ 123,396	$ 165,498	$ 161,668	$ 142,460	$ 136,242	$ 138,187	$ 1,427,302	
	Health Insurance	$ 244,373	$ 235,678	$ 234,960	$ 239,834	$ 226,766	$ 230,949	$ 234,785	$ 236,399	$ 231,057	$ 222,232	$ 2,337,633	
	Life Insurance	$ 10,348	$ 10,192	$ 10,015	$ 8,241	$ 445	$ 56	$ 8	$ 0	$ 0	$ 5	$ 39,311	
	401A Pension Plan	$ 104,426	$ 100,458	$ 100,853	$ 96,605	$ 94,940	$ 45,180	$ 99,352	$ 98,393	$ 101,335	$ 99,293	$ 940,834	
	Workers Comp Insurance	$ 10,366	$ 9,935	$ 10,040	$ 9,833	$ 9,418	$ 9,953	$ 9,849	$ 10,079	$ 10,011	$ 9,811	$ 99,295	
	Supplemental Insurance(Employee)	$ (326)	$ 633	$ 397	$ 38	$ 9,999	$ 8,838	$ (0)	$ 0	$ 0	$ 266	$ 19,845	
	457b(Employee)	$ -	$ -	$ -	$ -	$ 75,685	$ 73,809	$ -	$ -	$ -	$ -	$ 149,494	
	Transportation Benefit	$ 22,470	$ 16,431	$ 31,872	$ 11,344	$ 26,639	$ 28,152	$ 10,980	$ 29,431	$ 20,783	$ 26,799	$ 224,900	
	Union and Cope(Employee)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
	Payroll Fees	$ 18,172	$ 25,122	$ 17,730	$ 17,479	$ 17,227	$ 17,714	$ 17,634	$ 18,337	$ 18,335	$ 17,164	$ 184,913	
	Vision	$ 110	$ 195	$ 166	$ 198	$ 3,317	$ 3,281	$ 95	$ 53	$ 0	$ (2,535)	$ 4,882	
	Long Term & Short Term Disability Insurance	$ -	$ -	$ -	$ -	$ 2,815	$ 2,876	$ 2,943	$ 3,069	$ 4,766	$ 2,891	$ 19,360	
	TAX payment agreements(Employee)	$ (150)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (150)	
Office Expenses	Office Expenses	$ 40,486	$ 42,858	$ 229,718	$ 43,314	$ 41,175	$ 43,898	$ 44,010	$ 39,542	$ 39,232	$ 43,851	$ 608,085	$ 3,754,679
	Supplies	$ 1,297	$ 3,255	$ 7,962	$ 3,691	$ 1,108	$ 946	$ 3,453	$ 8,100	$ 2,987	$ 1,266	$ 34,065	
	Delivery	$ 315	$ 243	$ 392	$ 528	$ 1,125	$ 275	$ 309	$ 406	$ 295	$ 313	$ 4,200	
	Internet Access	$ 1,216	$ 493	$ 829	$ 1,216	$ 466	$ 475	$ 1,545	$ 476	$ 520	$ 520	$ 7,755	
	Printing	$ 6,434	$ 8,266	$ 6,235	$ 6,170	$ 6,211	$ 6,134	$ 7,628	$ 6,107	$ 7,341	$ 6,601	$ 67,126	
	Cellular Phones	$ 16,186	$ 11,738	$ 9,701	$ 10,925	$ 8,843	$ 10,078	$ 6,711	$ 7,307	$ 5,089	$ 5,202	$ 91,781	
	Vehicle Expense & Maintenance	$ 104	$ 274	$ -	$ -	$ 2	$ 90	$ 6	$ 2,818	$ 1,072	$ 261	$ 4,628	
	Program Utilities	$ 3,856	$ 48	$ -	$ -	$ -	$ -	$ -	$ 0	$ -	$ -	$ 3,904	
	Parking & Parking Validation	$ 2,767	$ 3,212	$ 76	$ 544	$ 3,362	$ 281	$ 132	$ 59	$ 223	$ 202	$ 10,857	
	General Liability Insurance	$ 514,073	$ 993,993	$ -	$ 320	$ -	$ -	$ -	$ -	$ 106,721	$ 85,824	$ 1,700,931	
	Program/Client Supplies	$ 2,028	$ 2,358	$ -	$ -	$ -	$ -	$ -	$ 971	$ -	$ -	$ 5,357	
	Repairs & Maintenance	$ 7,888	$ 3,700	$ 5,331	$ 1,850	$ 3,578	$ 1,850	$ 1,850	$ 1,850	$ 563	$ 100	$ 28,559	
	Postage	$ -	$ 1,105	$ -	$ -	$ 105	$ -	$ -	$ 1,105	$ 17	$ -	$ 2,333	
	Subscriptions/Memberships	$ -	$ 2,410	$ 823	$ 1,053	$ 1,562	$ -	$ 6,011	$ 398	$ 0	$ 2,602	$ 14,859	
	Vehicle Rental	$ -	$ 9,416	$ 5,000	$ 9,294	$ 500	$ 3,353	$ 6,472	$ (0)	$ 2,776	$ 3,353	$ 40,162	
	Bank Fees	$ 8,100	$ 14,125	$ 11,465	$ 16,206	$ 0	$ -	$ 2	$ 0	$ -	$ 1	$ 49,900	
	Auto Insurance	$ -	$ 1,041,609	$ -	$ 186	$ -	$ -	$ (0)	$ (0)	$ 0	$ 352	$ 1,042,147	
	Recruitment/Advertising	$ -	$ -	$ 275	$ 144	$ -	$ 731	$ 525	$ 24,976	$ -	$ 536	$ 27,186	
	Business Meetings	$ -	$ -	$ -	$ -	$ 165	$ 7,050	$ 6,509	$ 500	$ -	$ 108	$ 14,331	
	Uniforms	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (77)	$ -	$ -	$ (77)	
	Equipment Purchase	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (3,411)	$ -	$ -	$ (3,411)	

LAHSA

Report date 6/01/2026.

FY 2025-26 LAHSA Administrative
Expenditure by GL Categories through April 30, 2026

Expense Category	General Ledger	Jul-25	Aug-25	Sep-25	Oct-26	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	Total	
Office Technologies	Equipment Rental	$ 1,142	$ 1,142	$ 1,142	$ 2,435	$ 1,142	$ 2,818	$ -	$ -	$ 150	$ 575	$ 10,547	$ 1,306,294
	Computer Hardware	$ 155,000	$ 373	$ -	$ 3,810	$ -	$ 9,550	$ -	$ 8,451	$ -	$ 66,000	$ 243,184	
	Computer Software	$ 21,306	$ 13,205	$ 28,029	$ 49,612	$ 194,025	$ 70,366	$ 357,544	$ 85,240	$ 88,171	$ 97,891	$ 1,005,389	
	Computer Supplies	$ 6,848	$ 38,797	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,472	$ 47,117	
	Office Technology	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 57	$ 57	
Professional Service Contract	Service Contract	$ 6,143	$ 4,989	$ 3,274	$ 17,980	$ 65,286	$ 497	$ 31,396	$ 2,244	$ 10,217	$ 560	$ 142,586	$ 1,184,046
	Legal Fees	$ 777	$ -	$ -	$ 1,535	$ 136,988	$ 31,766	$ 814	$ 27,627	$ 106,820	$ 17,403	$ 323,731	
	Consultant	$ 17,665	$ 13,500	$ 75,831	$ 28,375	$ 83,196	$ 119,828	$ 68,999	$ 61,425	$ 102,851	$ 78,922	$ 650,592	
	Audit Expense	$ -	$ -	$ 137	$ 3,536	$ -	$ 22,905	$ 3,011	$ 28,029	$ 30,938	$ -	$ 88,555	
	Public Officer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (21,418)	$ -	$ -	$ (21,418)	
Travel and Training	Travel	$ 562	$ 58	$ 2	$ 8,672	$ 2,856	$ 953	$ 1,805	$ 384	$ 1,534	$ 8,612	$ 25,438	$ 41,978
	Mileage	$ 320	$ 112	$ 267	$ 14	$ 151	$ -	$ 918	$ 225	$ 52	$ 629	$ 2,688	
	Training	$ -	$ 425	$ 403	$ -	$ -	$ (445)	$ 195	$ 445	$ -	$ 2,800	$ 3,823	
	Conference	$ -	$ -	$ -	$ -	$ -	$ 487	$ -	$ (445)	$ 430	$ 9,557	$ 10,029	
Rent	Rent	$ 63,096	$ 66,002	$ 63,272	$ 63,623	$ 65,859	$ 66,782	$ 65,431	$ 65,629	$ 67,832	$ 69,971	$ 657,498	$ 657,498
	Subtotals	$3,483,902	$4,783,500	$2,951,097	$ 2,711,948	$2,987,072	$2,864,869	$3,036,882	$2,778,322	$2,988,242	$2,876,292	$ 31,462,126	

FY 2025-26 LAHSA-run Programs
Expenditure by GL Categories through April 30, 2026

Expense Category	General Ledger	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	Total	
Participant Expenses	Financial Assistance	$ 58,628	$ 179,078	$ 179,067	$ 199,692	$ 114,414	$ 89,106	$ 161,662	$ 82,056	$ 120,835	$ 105,864	**$ 1,290,401**	**$ 2,085,885**
	Emer. Shelter Housing Voucher	$ -	$ -	$ 750	$ 25,720	$ 14,760	$ 144,125	$ 221,803	$ 78,000	$ 205,650	$ 103,714	**$ 794,522**	
	Bus tokens/Client Transport	$ -	$ -	$ -	$ -	$ -	$ -	$ 237	$ 148	$ -	$ 577	**$ 962**	
Personnel Expenditures	Salary Expenses	$ 3,378,330	$ 3,153,635	$ 3,107,030	$ 3,060,706	$ 2,951,713	$ 2,972,617	$ 2,846,424	$ 2,645,172	$ 2,646,180	$ 2,587,002	**$ 29,348,809**	**$ 38,388,045**
	Employer Payroll Taxes	$ 261,390	$ 241,040	$ 238,128	$ 233,745	$ 225,504	$ 279,584	$ 278,380	$ 203,174	$ 204,901	$ 191,385	**$ 2,357,232**	
	Health Insurance	$ 506,366	$ 483,393	$ 466,573	$ 452,844	$ 430,226	$ 435,368	$ 411,108	$ 396,701	$ 381,752	$ 377,334	**$ 4,341,664**	
	Life Insurance	$ (14)	$ (36)	$ (36)	$ (36)	$ (305)	$ 70	$ -	$ -	$ -	$ -	**$ (356)**	
	401A Pension Plan	$ 166,469	$ 159,987	$ 160,349	$ 157,577	$ 174,707	$ 160,340	$ 164,314	$ 158,891	$ 155,549	$ 147,425	**$ 1,605,608**	
	Workers Comp Insurance	$ 19,222	$ 17,722	$ 17,395	$ 17,295	$ 16,785	$ 16,764	$ 16,143	$ 14,877	$ 15,730	$ 14,052	**$ 165,985**	
	Transportation Benefit	$ 37,550	$ 31,359	$ 35,166	$ 30,040	$ 37,300	$ 47,968	$ 2,402	$ 36,261	$ 24,557	$ 33,502	**$ 316,106**	
	Payroll Fees	$ 42,548	$ 40,924	$ 39,893	$ 38,924	$ 38,634	$ 37,727	$ 36,365	$ 34,793	$ 34,040	$ 30,958	**$ 374,806**	
	Supplemental Insurance(Employee)	$ -	$ (0)	$ -	$ -	$ (9,848)	$ (9,466)	$ 53	$ (343)	$ -	$ -	**$ (19,603)**	
	457b(Employee)	$ -	$ -	$ 0	$ -	$ (75,685)	$ (73,809)	$ -	$ -	$ -	$ -	**$ (149,494)**	
	Union and Cope(Employee)	$ -	$ (0)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ (0)**	
	Vision	$ (0)	$ 10	$ (0)	$ (0)	$ (3,230)	$ (3,127)	$ (24)	$ -	$ -	$ 2,813	**$ (3,558)**	
	TAX payment agreements(Employee)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ -**	
	Long Term & Short Term Disability Insurance	$ -	$ -	$ -	$ -	$ 6,535	$ 6,374	$ 6,172	$ 5,917	$ 5,817	$ 5,692	**$ 36,507**	
	Contingent Staff	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,015	$ 8,969	$ 357	**$ 14,340**	

LAHSA

Report date 6/01/2026.

FY 2025-26 LAHSA-run Programs
Expenditure by GL Categories through April 30, 2026

Expense Category	General Ledger	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	Total	
Office Technologies	Computer Software	-	799	2,418	1,126,154	898,970	350,516	408,319	442,565	350,516	352,214	3,932,472	$ 3,932,472
Rent	Rent- Colocations	84,621	9,895	60,482	81,118	83,765	84,182	83,835	85,337	86,750	82,203	742,187	$ 8,144,570
	Rent - Broadway Navigation Center	131,128	131,128	123,000	123,000	123,000	123,000	123,000	123,000	123,000	123,000	1,246,256	
	Rent	83,477	83,665	83,301	85,597	85,995	85,072	86,423	86,225	84,022	81,883	845,662	
	Rent - Master Lease Project Properties	621,765	604,096	594,192	635,676	560,709	570,279	557,867	574,682	591,199	-	5,310,466	
Professional Service Contract	Service Contract	74,251	439,413	621,415	768,420	940,108	260,007	965,208	925,641	1,427,135	749,101	7,170,700	$ 11,501,386
	Consultant	46,113	51,025	1,225	-	41,248	74,124	19,787	50,325	80,123	16,731	380,701	
	Service Contract - Security Exp	-	612,828	600,944	433,368	440,470	445,490	494,564	497,430	424,891	-	3,949,985	
Travel and Training	Travel	747	-	-	-	-	-	-	-	-	-	747	$ 5,994
	Mileage	257	517	352	772	1,003	448	509	344	776	269	5,247	
Office Expenses	Office Expenses	85,089	84,234	85,595	95,940	79,853	78,667	84,918	84,056	88,217	76,798	843,366	$ 11,816,590
	Supplies	6,529	4,756	5,174	2,430	5,141	8,370	34,305	34,833	57,619	-	159,155	
	Internet Access	2,082	4,883	4,516	1,651	1,292	4,929	1,538	1,131	3,485	801	26,309	
	Cellular Phones	49,968	30,994	29,786	36,290	29,132	34,024	21,444	18,541	13,697	11,402	275,279	
	Vehicle Expense & Maintenance	40,438	37,980	47,018	33,391	34,726	24,909	34,388	28,418	29,681	45,518	356,468	
	Program Utilities	103,091	152,809	262,475	94,255	247,597	115,903	253,506	109,702	246,158	2,435	1,587,931	
	Business Meetings	11,229	23,361	12,926	13,540	22,798	4,260	5,933	9,780	5,130	4,580	113,538	
	Parking & Parking Validation	10,452	2,445	11,609	8,405	10,166	9,984	7,849	8,990	12,541	12,559	94,999	
	Program/Client Supplies	28,713	42,888	43,053	28,834	66,963	17,414	10,283	9,649	168,218	9,243	425,259	
	Repairs & Maintenance	630,372	547,372	824,528	1,084,647	592,334	226,687	362,404	476,031	221,927	396	4,966,697	
	Subscriptions/Memberships	-	1,499	-	-	-	-	-	-	-	-	1,499	
	Vehicle Rental	-	172,188	165,582	108,947	40,520	132,627	140,207	96,679	88,218	79,246	1,024,214	
	Auto Insurance	-	1,192,507	1,619	-	-	-	-	-	-	-	1,194,127	
	Uniforms	2,221	647	-	149	127	253	113	-	-	117	3,627	
	General Liability Insurance	1,617	1,848	2,016	2,100	2,415	60,854	3,518	3,759	3,728	-	81,854	
	Furniture Purchase	842	6,421	41,273	6,806	-	566,434	-	3,537	34,107	-	659,420	
	Printing	-	-	-	-	-	-	250	-	-	-	250	
	Recruitment/Advertising	-	-	-	-	-	-	-	2,600	-	-	2,600	
	Grand Total	6,485,488	8,547,310	7,868,816	8,988,000	8,229,845	7,382,075	7,845,205	7,333,918	7,945,117	5,249,170	75,874,944	

Report date 6/01/2026.

Appendix 2

Budget vs Actual by Funding Source

LAHSA FY 2025-26 Budget

Admin			Direct Program			Service Provider		
Mid-Year Budget	Actuals		Mid-Year Budget	Actuals		Mid-Year Budget	Actuals	
48,051,451	31,462,126	65%	94,384,483	75,874,944	80%	770,402,830	439,037,242	57%

Federal

	Mid-Year Budget	Actuals	Actuals %
Federal	79,675,826	38,379,270	48%

Funder & Funding Source	Mid-Year Admin Budget	Actuals	Actuals %	Mid-Year Direct Program Budget	Actuals	Actuals %	Mid-Year Service Provider Budget	Actuals	Actuals %
Federal									
HUD CoC							$ 48,838,821	$ 23,510,652	48%
HUD CoC Coordinated Assessment	$ 93,319	11,295	12%	$ 2,058,461	1,284,052	62%			
HUD CoC DV SSO	$ 147,862	$ 16,774	11%	$ 827,935	188,461	23%	$ 879,676	$ 580,528	66%
HUD CoC HMIS	$ 219,737	$ 129,059	59%	$ 2,904,107	2,143,266	74%			
HUD CoC Planning				$ 1,500,000	1,352,236	90%			
HUD Youth Homelessness Demonstration Project (YHDP)	$ 83,050	$ 72,033	87%	$ 221,741	103,539	47%	$ 9,447,410	$ 4,252,553	45%
SUNOFO				$ 2,168,615	1,169,390	54%	$ 10,285,092	$ 3,565,432	35%
Federal Totals	**$ 543,968**	**$ 229,161**	**42%**	**$ 9,680,859**	**$ 6,240,944**	**64%**	**$ 69,450,999**	**$ 31,909,166**	**46%**

LAHSA FY 2025-26 Budget

Admin			Direct Program			Service Provider		
Mid-Year Budget	Actuals		Mid-Year Budget	Actuals		Mid-Year Budget	Actuals	
48,051,451	31,462,126	65%	94,384,483	75,874,944	80%	770,402,830	439,037,242	57%

State

	Mid-Year Budget	Actuals	Actuals %
State	85,288,169	50,820,199	60%

Funder & Funding Source	Mid-Year Admin Budget	Actuals	Actuals %	Mid-Year Direct Program Budget	Actuals	Actuals %	Mid-Year Service Provider Budget	Actuals	Actuals %
State									
CoC HHAP 1									
CoC HHAP 2							$ 298,627	$ 239,028	80%
CoC HHAP 3				$ 1,799,028	1,672,197	93%	$ 204,760		0%
CoC HHAP 4	$ -	$ 40,888					$ 2,691,540	$ 1,669,573	62%
CoC HHAP 5	$ -	$ 108,364		$ 16,638,938	12,711,962	76%	$ 5,076,127	$ 2,888,684	57%
CoC HHAP 6							$ 56,806,912	$ 29,826,004	53%
Encampment Resolution Funding (State) #1									
Encampment Resolution Funding (State) #2				$ 155,424	$ 49,303	32%	$ 1,616,813	$ 1,614,195	100%
State Totals	**$ -**	**$ 149,252**		**$ 18,593,390**	**$ 14,433,462**	**78%**	**$ 66,694,779**	**$ 36,237,485**	**54%**

LAHSA FY 2025-26 Budget

Admin			Direct Program			Service Provider		
Mid-Year Budget	Actuals		Mid-Year Budget	Actuals		Mid-Year Budget	Actuals	
48,051,451	31,462,126	65%	94,384,483	75,874,944	80%	770,402,830	439,037,242	57%

County

	Mid-Year Budget	Actuals	Actuals %
County	407,505,506	239,325,511	59%

Funder & Funding Source	Mid-Year Admin Budget	Actuals	Actuals %	Mid-Year Direct Program Budget	Actuals	Actuals %	Mid-Year Service Provider Budget	Actuals	Actuals %
County									
AD Home Safe Program									
NCC Safe Parking							$ 3,867,000	$ 431,059	11%
County DPSS CES Family HSP	$ 1,449,686	$ 1,335,092	92%	$ 200,000	$ 187,621	94%	$ 12,847,176	$ 10,461,409	81%
County General Fund	$ 9,239,491	$ 5,159,721	56%	$ 3,285,904	$ 1,642,994	50%	$ 92,596,252	$ 45,896,459	50%
County HHAP							$ 5,560,000	$ 2,361,811	42%
County HHIP	$ 373,600	$ 383,204	103%	$ 5,937,356	$ 6,976,630	118%			
County YHSI (Youth Homeless System Improvement)									
Emergency Solutions Grant - County (ESG)	$ 149,547	$ 54,668	37%	$ 130,715	$ 130,371	100%	$ 2,783,931	$ 334,955	12%
Emergency Solutions Grant-State (ESG)	$ 7,451	$ (34)	0%	$ 124,191	$ -	0%	$ 1,105,305	$ 515,261	47%
LA County DA - Bringing Families Home DCFS				$ 37,500	$ 463	1%			
JCOD - Rapid Access Housing Project	$ 20,901	$ 16,536	79%				$ 259,980	$ -	0%
Measure H/A	$ 18,902,986	$ 12,007,333	64%	$ 32,544,187	$ 26,249,931	81%	$ 204,676,827	$ 121,877,549	60%
LACAHSA	$ 912,441	$ -	0%	$ 395,000	$ 173,292	44%	$ 10,098,079	$ 3,129,187	31%
County Totals	$ 31,056,103	$ 18,956,519	61%	$ 42,654,853	$ 35,361,301	83%	$ 333,794,550	$ 185,007,691	55%

*Pending County HHIP Amendment to increase funding by $1.67M

LAHSA FY 2025-26 Budget

Admin			Direct Program			Service Provider		
Mid-Year Budget	Actuals		Mid-Year Budget	Actuals		Mid-Year Budget	Actuals	
48,051,451	31,462,126	65%	94,384,483	75,874,944	80%	770,402,830	439,037,242	57%

City

	Mid-Year Budget	Actuals	Actuals %
City	338,804,409	217,251,163	64%

Funder & Funding Source	Mid-Year Admin Budget	Actuals	Actuals %	Mid-Year Direct Program Budget	Actuals	Actuals %	Mid-Year Service Provider Budget	Actuals	Actuals %
City									
City ESG	$ 318,039	$ 134,177	42%	$ 1,191,516	$ 1,047,506	88%	$ 3,617,149	$ 1,074,902	30%
City ESG RUSH	$ 45,000	$ -	0%				$ 925,000	$ 147,299	16%
City General Fund	$ 4,582,142	$ 3,504,503	76%	$ 11,733,412	$ 9,052,067	77%	$ 39,072,100	$ 22,948,745	59%
City HHAP-1 to HHAP-5				$ 4,148,608	$ 4,160,534	100%	$ 128,829,662	$ 74,983,042	58%
City Alliance GF	$ 57,545	$ -	0%	$ 4,966,991	$ 4,980,962	100%	$ 10,552,510	$ 5,260,351	50%
City Mayfair							$ 9,932,355	$ 9,192,858	93%
City Roadmap-2							$ 586,960	$ 457,318	78%
City GF Inside Safe	$ 5,805,690	$ 2,952,561	51%				$ 57,510,090	$ 38,574,642	67%
LAHD Measure A	$ 5,492,964	$ 5,535,952	101%				$ 49,436,676	$ 33,243,745	67%
City Totals	**$ 16,301,380**	**$ 12,127,193**	**74%**	**$ 22,040,527**	**$ 19,241,069**	**87%**	**$ 300,462,502**	**$ 185,882,901**	**62%**

LAHSA FY 2025-26 Budget

Admin			Direct Program			Service Provider		
Mid-Year Budget	Actuals		Mid-Year Budget	Actuals		Mid-Year Budget	Actuals	
48,051,451	31,462,126	65%	94,384,483	75,874,944	80%	770,402,830	439,037,242	57%

Private / Philanthropic

	Mid-Year Budget	Actuals	Actuals %
Private / Philanthropic	1,564,854	598,168	38%

Funder & Funding Source	Mid-Year Admin Budget	Actuals	Actuals %	Mid-Year Direct Program Budget	Actuals	Actuals %	Mid-Year Service Provider Budget	Actuals	Actuals %
Private / Philanthropic									
CCF Homeless Count 195037									
HealthNet HHIP				$ 304,092	149,217	49%			
LA Care HHIP				$ 709,548	348,173	49%			
Hilton	$ 150,000	$ -	0%	$ 401,214	100,778	25%			
Private / Philanthropic Totals	$ 150,000	$ -	0%	$ 1,414,854	$ 598,168	42%	$ -	$ -	$ -

Item 3.2

LAHSA

Finance Committee

Financial Report on LAHSA Service Providers

Los Angeles Homeless Services Authority

Alejandro Gomez Palma, Director
Contract Performance & Compliance Department

June 18, 2026

FY 2025-26 Budget vs Actuals

Service Provider Expenditures July 2025 to April 2026

- **Service Providers:** **116** *(+ 49 Faith-Based Organizations)*
- **Subawards:** **678**
- **YTD budget:** **83%**
- **Current year expenditures July 1, 2025, through April 30, 2026:** **61%**
- **Prior year expenditures same period:** **67%**

Summary Expenditures by Funder

Funder	FY2025-26 Revised Budget	Budget %	Pending Expenditures	Approved Expenditures	Total Expenditures (Pending + Approved)	Total Expenditures as % of Budget	FY2024-25 Comparative Expenditures %
Federal	$ 69,450,999	9%	$ 10,267,091	$ 31,909,166	42,176,257	61%	62%
State	$ 66,694,779	9%	$ 10,378,369	$ 36,237,485	46,615,853	70%	79%
County	$ 328,031,632	43%	$ 2,964,580	$ 185,007,691	187,972,271	57%	66%
City	$ 300,462,502	39%	$ 2,256,609	$ 185,882,901	188,139,510	63%	67%
Grand Total	$ 764,639,912	100%	$ 25,866,648	$ 439,037,242	464,903,890	61%	67%

Summary Expenditures by Program Department

Department	FY2025-26 Revised Budget	Budget %	Pending Expenditures	Approved Expenditures	Total Expenditures (Pending + Approved)	Total Expenditures as % of Budget	FY2024-25 Comparative Expenditures %
Access & Engagement	$ 34,123,793	4%	$ 795,997	$ 16,667,373	17,463,371	51%	50%
Interim Housing	$ 465,436,261	61%	$ 17,433,029	$ 267,686,369	285,119,397	61%	69%
Permanent Housing	$ 228,925,278	30%	$ 7,119,153	$ 137,740,081	144,859,234	63%	67%
Special Projects	$ 8,769,622	1%	$ -	$ 1,017,406	1,017,406	12%	69%
Systems & Planning	$ 27,384,958	4%	$ 518,469	$ 15,926,013	16,444,482	60%	70%
Grand Total	$ 764,639,912	100%	$ 25,866,648	$ 439,037,242	464,903,890	61%	67%

Summary Expenditures by SPA

SPA	FY2025-26 Revised Budget	Budget %	Pending Expenditures	Approved Expenditures	Total Expenditures (Pending + Approved)	Total Expenditures as % of Budget	FY2024-25 Comparative Expenditures %
SPA 1	$ 25,504,989	3%	$ 548,264	$ 16,206,945	16,755,208	66%	67%
SPA 2	$ 108,263,988	14%	$ 4,867,257	$ 62,884,103	67,751,359	63%	79%
SPA 3	$ 39,895,317	5%	$ 1,443,735	$ 20,117,742	21,561,477	54%	61%
SPA 4	$ 215,873,664	28%	$ 7,688,249	$ 129,271,659	136,959,908	63%	67%
SPA 5	$ 36,563,571	5%	$ 698,507	$ 23,730,951	24,429,457	67%	73%
SPA 6	$ 145,431,369	19%	$ 7,839,337	$ 79,005,200	86,844,537	60%	70%
SPA 7	$ 30,634,001	4%	$ 789,128	$ 17,929,564	18,718,692	61%	69%
SPA 8	$ 60,722,763	8%	$ 1,134,871	$ 27,979,221	29,114,092	48%	54%
Countywide	$ 101,750,251	13%	$ 857,301	$ 61,911,858	62,769,159	62%	63%
Grand Total	$ 764,639,912	100%	$ 25,866,648	$ 439,037,242	464,903,890	61%	67%

Detailed Expenditures by Funding Source

Funding source	FY2025-26 Revised Budget	Budget %	Pending Expenditures	Approved Expenditures	Total Expenditures (Pending + Approved)	Total Expenditures as % of Budget	FY2024-25 Comparative Expenditures %
Federal	$ 69,450,999	9%	$ 2,964,580	$ 31,909,166	34,873,746	50%	62%
CoC	$ 49,718,497	7%	$ 2,193,189	$ 24,091,180	26,284,369	53%	63%
YHDP	$ 9,447,410	1%	$ 147,247	$ 4,252,553	4,399,800	47%	100%
SUNOFO	$ 10,285,092	1%	$ 624,144	$ 3,565,432	4,189,577	41%	27%
State	$ 66,694,779	9%	$ 2,256,609	$ 36,237,485	38,494,093	58%	53%
CoC HHAP 2	$ 298,627	0.04%	$ -	$ 239,028	239,028	80%	29%
CoC HHAP 3	$ 204,760	0.03%	$ -	$ -	-	0%	53%
CoC HHAP 4	$ 2,691,540	0.4%	$ 76,495	$ 1,669,573	1,746,068	65%	81%
CoC HHAP 5	$ 5,076,127	1%	$ 77,310	$ 2,888,684	2,965,994	58%	49%
CoC HHAP 6	$ 56,806,912	7%	$ 2,102,804	$ 29,826,004	31,928,808	56%	-
State ERF	$ 1,616,813	0.2%	$ -	$ 1,614,195	1,614,195	99.8%	25%
County	$ 327,771,652	43%	$ 10,378,369	$ 185,007,690	$ 195,386,059	60%	56%
County General Fund	$ 92,596,252	12%	$ 3,241,520	$ 45,896,459	49,137,979	53%	25%
County HHAP	$ 5,560,000	1%	$ 60,725	$ 2,361,811	2,422,536	44%	69%
DPSS HSP	$ 12,847,176	2%	$ 1,303,453	$ 10,461,409	11,764,862	92%	67%
ESG - County	$ 2,783,931	0.4%	$ 36,608	$ 334,955	371,563	13%	49%
ESG - State	$ 1,105,305	0.1%	$ 84,795	$ 515,261	600,056	54%	70%
Measure H/A	$ 198,913,909	26%	$ 5,120,840	$ 125,006,735	130,127,575	65%	69%
LACAHSA*	$ 10,098,079	1%	$ 530,428	$ -	530,428	5%	-
MOU NCC Safe Parking	$ 3,867,000	0.5%	$ -	$ 431,059	431,059	11%	13%
City	$ 300,462,502	39%	$ 10,267,091	$ 185,882,901	196,149,992	65%	67%
City Alliance	$ 10,552,510	1%	$ 129,104	$ 4,934,037	5,063,141	48%	69%
City ESG	$ 4,542,149	0.6%	$ -	$ 1,222,201	1,222,201	27%	69%
City General Fund	$ 39,072,100	5%	$ 1,390,678	$ 22,948,745	24,339,422	62%	69%
City General Fund ISP	$ 57,510,090	8%	$ 809,863	$ 38,574,642	39,384,505	68%	55%
City HHAP	$ 128,829,662	17%	$ 5,062,665	$ 75,309,355	80,372,021	62%	71%
City Roadmap-2	$ 586,960	0.1%	$ -	$ 457,318	457,318	78%	74%
City MayFair	$ 9,932,355	1%	$ 121,106	$ 9,192,858	9,313,964	94%	88%
LAHD Measure A	$ 49,436,676	6%	$ 2,753,675	$ 33,243,745	35,997,420	73%	-
Grand Total	$ 764,379,932	100%	$ 25,866,648	$ 439,037,242	464,903,890	61%	67%

*Tracking separately as providers have expressed interest in extending expenditure period.

Annual Advances Issued to Service Providers – Multiple Funding Sources

Funding Source	FY2016 - 2017	FY2017 - 2018	FY2018 - 2019	FY2019 - 2020	FY2020 - 2021	FY2021 - 2022	FY2022 - 2023	FY2023 - 2024	FY2024 - 2025	Through FY2024 - 25	FY2025-2026	Current Balance 06/05/2026	Last Report Balance 05/01/2026*	Change Since Last Report
CDBG	$ -	$ 360,363	$ (19,635)	$ (281,341)	$ -	$ -	$ 20,737	$ -	$ -	$ 80,124	$ (21,510)	$ 58,614	$ 80,124	$ (21,510)
City ESG	$ -	$ 441,887	$ 77,963	$ (294,494)	$ (54,879)	$ 25,873	$ (87,963)	$ -	$ (73,828)	$ 34,559	$ (115,744)	$ (81,185)	$ 50,933	$ (132,118)
City ESG-CV	$ -	$ -	$ -	$ -	$ 4,173,090	$ (72,453)	$ 1,142,811	$ (2,265,204)	$ (2,114,301)	$ 863,943	$ (346,921)	$ 517,022	$ 517,023	$ -
City General Fund	$ 14,756	$ 334,355	$ 512,513	$ 248,210	$ 528,904	$ (225,328)	$ (323,269)	$ 88,685	$ (746,020)	$ 432,807	$ 2,839,626	$ 3,272,433	$ 2,952,149	$ 320,284
City HEAP	$ -	$ -	$ -	$ 5,013	$ (5,013)	$ 59,594	$ (59,594)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City HHAP	$ -	$ -	$ -	$ -	$ -	$ 514,533	$ (491,865)	$ (700,841)	$ 595,703	$ (82,470)	$ 6,480,028	$ 6,397,558	$ 3,753,476	$ 2,644,083
City HRRP	$ (0)	$ -	$ -	$ -	$ -	$ (443,433)	$ 473,330	$ (1,476,739)	$ 1,464,787	$ 17,946	$ (56,101)	$ (38,155)	$ (54,163)	$ 16,008
City Measure A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,042	$ 15,042	$ (151,901)	$ 166,943
County General Fund	$ 447,132	$ 1,199,503	$ (104,587)	$ (181,735)	$ 168,428	$ (470,862)	$ (555,291)	$ 294,230	$ (106,696)	$ 690,123	$ 5,519,368	$ 6,209,492	$ 5,525,973	$ 683,519
County HHAP	$ -	$ -	$ -	$ -	$ -	$ 72,734	$ (65,621)	$ (7,113)	$ 398	$ 398	$ (713,575)	$ (713,177)	$ (674,197)	$ (38,980)
County PRK	$ -	$ -	$ -	$ -	$ 64,786	$ (25,914)	$ (38,872)	$ -	$ -	$ (0)	$ -	$ (0)	$ (0)	$ -
CRF	$ -	$ -	$ -	$ -	$ 5,149,001	$ (901,216)	$ (2,311,029)	$ (442,407)	$ (161,808)	$ 1,332,541	$ (264,836)	$ 1,067,705	$ 1,131,705	$ (64,000)
LACAHSA	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (72,638)	$ (72,638)	$ (9,327)	$ (63,311)
Measure A	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (122,127)	$ (122,127)	$ 17,092,220	$ 16,970,093	$ 17,692,517	$ (722,424)
Measure H	$ -	$ -	$ -	$ -	$ -	$ 5,164,275	$ (2,334,021)	$ 349,450	$ (147,300)	$ 3,032,404	$ (9,714,861)	$ (6,682,456)	$ 2,110,576	$ (8,793,033)
DPSS	$ -	$ 14,750	$ -	$ -	$ -	$ 564,461	$ 1,192,690	$ (1,203,877)	$ (58,730)	$ 509,294	$ (157,679)	$ 351,615	$ 351,615	$ -
ESG - CV Federal	$ -	$ -	$ -	$ -	$ -	$ -	$ 0	$ -	$ -	$ 0	$ -	$ 0	$ 0	$ -
ESG - CV State	$ -	$ -	$ -	$ -	$ 1,133,381	$ (758,382)	$ (374,999)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
ESG - Federal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (0)	$ -	$ (0)	$ -	$ (0)	$ (0)	$ -
ESG - State	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CoC	$ -	$ -	$ 61,385	$ 20,331	$ -	$ -	$ -	$ (6,821)	$ (2,582)	$ 72,313	$ (468,778)	$ (396,465)	$ 72,313	$ (468,778)
SUNOFO	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 352,952	$ 352,952	$ 524,821	$ (171,868)
YHDP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CoC HEAP	$ -	$ -	$ 85,750	$ 662,829	$ 1,990,416	$ (1,025,885)	$ (101,379)	$ (806,267)	$ (100,040)	$ 705,424	$ (214,606)	$ 490,818	$ 490,818	$ -
CoC HHAP	$ -	$ -	$ -	$ 901,416	$ 425,586	$ (377,272)	$ 59,127	$ (66,025)	$ 224,102	$ 1,166,934	$ 2,190,784	$ 3,357,719	$ 4,147,190	$ (789,471)
State ERF	$ -	$ -	$ -	$ -	$ -	$ -	$ 217,056	$ 1,268,902	$ (1,485,957)	$ 0	$ -	$ 0	$ 0	$ -
CESH	$ -	$ -	$ -	$ (9,564)	$ 76,069	$ 10,477	$ (16,703)	$ (4,523)	$ (55,756)	$ 0	$ -	$ 0	$ -	$ 0
Total	$ 461,888	$ 2,350,858	$ 613,390	$ 1,070,665	$ 13,649,769	$ 2,111,202	$ (3,654,853)	$ (4,978,549)	$ (2,890,155)	$ 8,734,214	$ 22,342,773	$ 31,076,987	$ 38,511,643	$ (7,434,656)

Note: LAHSA is continuing with a reconciliation of 14 funding sources that have balances for FY2024-25 and for prior Fiscal Years ($8.7M).

Measure H Working Capital Advances Issued to Service Providers

Service Provider	Measure H Working Capital Issued	Last Report Balance 5/1/2026	Prior Balance %	Change Since Last Report	Current Balance 6/5/2026	Current Balance Remaining %
1736 Family Crisis Center	$ 914,593	$ 366,140	40%	$ -	$ 366,140	40%
211 LA County	$ 73,938	$ -	0%	$ -	$ (0)	0%
Coalition for Responsible Community Development	$ 268,421	$ 78,748	29%	$ (20,327)	$ 58,421	22%
Community Partners for the benefit Of Safe Place For Youth	$ 64,274	$ 17,864	28%	$ (1,785)	$ 16,079	25%
Covenant House California	$ 491,468	$ 163,820	33%	$ -	$ 163,820	33%
First to Serve	$ 755,528	$ 473,534	63%	$ -	$ 473,534	63%
Harbor Interfaith Services, Inc.	$ 2,229,945	$ 1,809,836	81%	$ (84,000)	$ 1,725,836	77%
Hathaway Sycamores Child and Family Services	$ 1,128,937	$ 245,599	22%	$ (33,065)	$ 212,534	19%
Home at Last Community Development Corporation	$ 797,681	$ 797,681	100%	$ -	$ 797,681	100%
Homeless Health Care LA	$ 299,682	$ -	0%	$ -	$ -	0%
Hope of the Valley Rescue Mission	$ 68,250	$ 28,438	42%	$ -	$ 28,438	42%
Jovenes, Inc.	$ 449,117	$ 300,636	67%	$ -	$ 300,636	67%
LA Family Housing Corporation	$ 6,373,401	$ 3,332,728	52%	$ (192,970)	$ 3,139,757	49%
National Health Foundation	$ 52,317	$ -	0%	$ -	$ -	0%
New Directions, Inc.*	$ 34,347	$ 34,347	100%	$ -	$ 34,347	100%
People Assisting the Homeless	$ 8,274,239	$ 7,578,114	92%	$ -	$ 7,578,114	92%
Rainbow Services	$ 118,317	$ 92,128	78%	$ (2,362)	$ 89,765	76%
Sanctuary of Hope	$ 344,884	$ 121,453	35%	$ -	$ 121,453	35%
Special Services For Groups, Inc.	$ 6,674,335	$ -	0%	$ -	$ -	0%
St. Anne's Maternity Home	$ 326,067	$ 81,114	25%	$ (24,333)	$ 56,781	17%
St. Joseph's Center	$ 2,930,300	$ 2,084,130	71%	$ (30,826)	$ 2,053,304	70%
Testimonial Community Love Center	$ 388,684	$ 348,861	90%	$ -	$ 348,861	90%
The Midnight Mission	$ 448,950	$ 149,651	33%	$ (74,823)	$ 74,827	17%
The People's Concern	$ 3,812,087	$ 3,449,399	90%	$ -	$ 3,449,399	90%
The Village Family Services	$ 869,561	$ 177,477	20%	$ (22,185)	$ 155,292	18%
The Whole Child	$ 914,426	$ 657,240	72%	$ (4,338)	$ 652,902	71%
Union Station Homeless Services	$ 2,035,055	$ 1,530,853	75%	$ -	$ 1,530,853	75%
United Friends of the Children	$ 783,533	$ 625,738	80%	$ (10,882)	$ 614,856	78%
United States Veterans Initiative, Inc.	$ 229,119	$ 177,599	78%	$ (23,035)	$ 154,564	67%
Upward Bound House	$ 262,105	$ 204,725	78%	$ -	$ 204,725	78%
Valley Oasis *(formerly Antelope Valley Domestic Violence Council)*	$ 2,684,614	$ 583,864	22%	$ -	$ 583,864	22%
Volunteers of America of Los Angeles	$ 5,050,169	$ 1,249,869	25%	$ (135,725)	$ 1,114,144	22%
Weingart Center Association**	$ 436,051	$ -	0%	$ -	$ -	0%
Whitter Area First Day Coalition	$ 206,833	$ 57,333	28%	$ (5,750)	$ 51,583	25%
Total	$ 50,791,228	$ 26,818,916	53%	$ (666,407)	$ 26,152,509	51%

LAHSA

Report Date 06/01/2026

APPENDIX

Program Components

- **IH - Interim Housing**
  - Crisis Housing
  - Bridge Housing
  - 211 Motel Vouchers
  - Emergency Response Program
  - Safe Parking / Sleep
  - Transitional Housing
  - Project Home Key
  - Roadmap-Tiny Homes Village
  - City Roadmap Interim Housing
  - Host Homes
  - Pathway Home (PH & IH)

- **PH - Permanent Housing**
  - Housing Navigation
  - Time Limited Subsidies
  - Homeless Prevention
  - Legal Services
  - Problem Solving
  - Shallow Subsidy

- **Special Projects**
  - Housing Location
  - Master Leasing
  - Resident and Property Service

- **SP-System and Planning**
  - Problem Solving
  - Coordinated Entry System
  - Peer Navigation
  - Family Solution Centers
  - Youth Family Reconnection

Program Components

- **A&E - Access and Engagement**
  - Day Shelters
  - Unsheltered Services
  - Navigation Centers
  - Mobile Showers & Hygiene
  - Storage
  - Outreach and Coordination

Item 3.3

LAHSA

Finance Committee

Report on LAHSA Financial Position

Los Angeles Homeless Services Authority

Maureen Sabino, Controller
Finance Department

June 18, 2026

LAHSA Net Working Capital as of June 01, 2026

This report consists of all LAHSA Funding sources for the period covered from 05/01/2026 to 06/01/2026

•

$92,374,876
Cash Balance

$62,270,060
Total
Receivables

$56,958,205
Total Payables

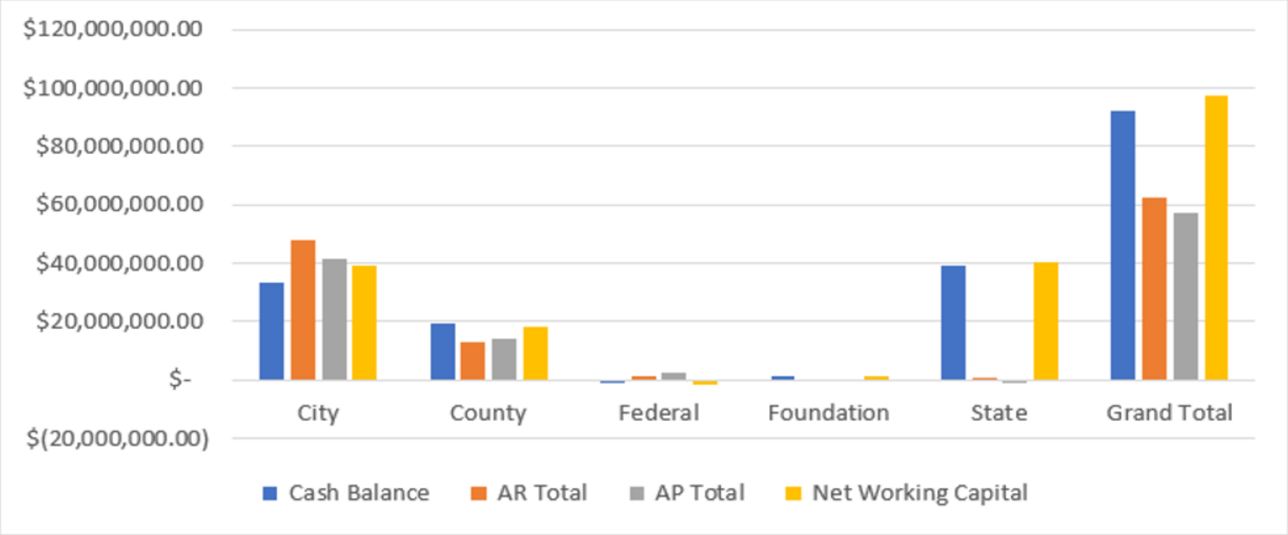
$97,686,731
Net Working Capital

The status on LAHSA Operations as of 06/01/26. Total Combined Cash and Accounts Receivable is $ 154,644,937 which is sufficient to cover our Accounts Payable of $56,958,205; and leaves LAHSA with sufficient working capital of $97,686,731

Primary Source	AR Current	AR 1 - 30D	AR 31 - 60D	AR 61 - 90D	AR >90D	AR Total
City	$ 4,596,021	$ 13,037,125	$ 2,648,337	$ 13,084,880	$ 14,383,115	$ 47,749,479
County	$ 5,073,837	$ 5,720,604	$ -	$ 1,373,241	$ 882,046	$ 13,049,727
Federal	$ 887,958	$ 572,874	$ -	$ -	$ -	$ 1,460,832
Foundation	$ -	$ -	$ -	$ -	$ -	$ -
State	$ -	$ -	$ -	$ -	$ 10,022	$ 10,022
Grand Total	**$ 10,557,816**	**$ 19,330,603**	**$ 2,648,337**	**$ 14,458,121**	**$ 15,275,183**	**$ 62,270,061**

Primary Source	AP Current	AP 1 - 30D	AP 31 - 60D	AP 61 - 90D	AP >90D	AP Total
City	$ 2,261,105	$ 9,855,307	$ 8,186,058	$ 6,564,910	$ 14,728,437	$ 41,595,817
County	$ (1,356,430)	$ 3,399,154	$ 1,945,055	$ 1,012,016	$ 9,204,117	$ 14,203,911
Federal	$ 1,423,691	$ 171,736	$ 560,085	$ -	$ 71,410	$ 2,226,921
Foundation	$ -	$ -	$ -	$ -	$ -	$ -
State	$ (1,475,096)	$ 261,689	$ 144,964	$ -	$ -	$ (1,068,443)
Grand Total	**$ 853,269**	**$ 13,687,886**	**$ 10,836,161**	**$ 7,576,926**	**$ 24,003,963**	**$ 56,958,206**

LAHSA Net Working Capital by Funding Source as of June 1, 2026



Primary Sour	Cash Balance	AR Total	AP Total	Net Working Capital
City	33,142,270	47,749,479	41,595,817	39,295,932
County	19,571,935	13,049,727	14,203,911	18,417,751
Federal	(953,505)	1,460,832	2,226,921	(1,719,595)
Foundation	1,346,854	-	-	1,346,854
State	39,267,322	10,022	(1,068,443)	40,345,788
Grand Total	**92,374,876**	**62,270,061**	**56,958,206**	**97,686,731**

Report date 06/01/2026

*Federal Funding Sources reflect negative balances for cash and net working capital due to timing differences related to pending adjustments for accounts receivable and associated cash receipts which had not been recorded as of the 6/1/26 report date.

LAHSA Interest Bearing Accounts

With the LA County Treasurer Summary as of June 1, 2026

Interest Bearing Account	#	Amount Invested	Interest Received to Date*	Grand Total
Measure A	1		$422,785	$422,785
Homeless Housing, Assistance & Prevention (HHAP 5)	2	$10,000,000	$297,600	$10,297,600
Reserve	3	$329,859	$7,233	$337,092
County Project HomeKey (PHK)	4	$1,042	$27	$1,069
Measure A Innov	5		$1,496	$1,496
LAC GENFD	6	$254,881	$69,832	$324,714
Measure A Data	7	$0	$3,318	$3,318
County HHAP5	8		$10,772	$10,772
Total		**$10,585,782**	**$813,063**	**$11,398,845**

Invoices Paid by Funders May 1, 2026 – June 1, 2026

County Payments:

$36,271,279.59

Date	Amount	Description
05/06/2026	$681,793.29	LA COUNTY GEN-PYMT
05/08/2026	$5,743,603.99	LA COUNTY GEN-PYMT
05/12/2026	$143,462.68	LA COUNTY GEN-PYMT
05/12/2026	$60,787.72	LA COUNTY GEN-PYMT
05/14/2026	$275,408.47	LA COUNTY GEN-PYMT
05/20/2026	$24,725,987.44	LA COUNTY GEN-PYMT
05/21/2026	$238,752.35	LA COUNTY GEN-PYMT
05/21/2026	$192,007.55	LA COUNTY GEN-PYMT
05/21/2026	$23,389.25	LA COUNTY GEN-PYMT
05/26/2026	$421,446.00	LA COUNTY GEN-PYMT
05/26/2026	$23,320.02	LA COUNTY GEN-PYMT
05/27/2026	$625,504.34	LA COUNTY GEN-PYMT
05/27/2026	$477,533.71	LA COUNTY GEN-PYMT
05/27/2026	$299,504.06	LA COUNTY GEN-PYMT
05/27/2026	$178,929.02	LA COUNTY GEN-PYMT
05/27/2026	$118,180.00	LA COUNTY GEN-PYMT
05/27/2026	$62,933.03	LA COUNTY GEN-PYMT
05/27/2026	$16,667.00	LA COUNTY GEN-PYMT
05/29/2026	$8,333.50	LA COUNTY GEN-PYMT
06/01/2026	$1,428,945.17	LA COUNTY GEN-PYMT
06/01/2026	$524,791.00	LA COUNTY GEN-PYMT
Total	**$36,271,279.59**	

Invoices Paid by Funders May 1, 2026 – June 1, 2026

Date	Amount	Description
05/18/2026	$4,489,773.75	City of Los Ange PAYMENTS
05/18/2026	$1,304,273.68	City of Los Ange PAYMENTS
05/21/2026	$6,255,822.42	City of Los Ange PAYMENTS
05/22/2026	$224,747.40	City of Los Ange PAYMENTS
05/29/2026	$1,969,707.00	City of Los Ange PAYMENTS
05/29/2026	$725,711.25	City of Los Ange PAYMENTS
06/01/2026	$3,447,692.49	City of Los Ange PAYMENTS
Total	**$18,417,727.99**	

City Payments:

$18,417,727.99

Appendices

Accounts receivable Details

Grant Title	AR Current	AR 1 - 30 Days	AR 31 - 60 Days	AR 61 - 90 Days	Over 90 Days	AR Total
City HHAP5 Intrim Housng	-	-	-	-	326,219.21	326,219.21
City HRRP Project Home Key	-	-	-	-	305.00	305.00
City GF CD14 - City Roadmap GF-PRK	-	-	-	-	57,682.09	57,682.09
City GF Inside Safe Prg-	3,707,651.81	3,206,719.92	-	-	-	6,914,371.73
City GF Inside Safe Prg-LAHSA Admin	299,212.51	465,719.97	-	725,711.25	-	1,490,643.73
Mayfair Hotel Interim Housing operations and start up	528,700.00	-	1,969,707.00	-	-	2,498,407.00
Cty Co Meas A Local Sol Fund-PHK Ops C202658	-	-	-	1,543,854.00	2,917,095.00	4,460,949.00
Cty Co Meas A Local Sol Fund-TinyHome Ops	-	9,364,685.54	-	10,815,315.00	10,815,315.00	30,995,315.54
City ESG RUSH RRH C-202632	60,456.76	-	38,341.27	-	-	98,798.03
City ESG Emg Shelter 24-25	-	-	579,760.52	-	-	579,760.52
City ESG HMIS 24-25	-	-	20,030.92	-	-	20,030.92
City General Funds	-	-	-	-	234,214.21	234,214.21
City C3 Partnership - Skid Row	-	-	-	-	32,284.62	32,284.62
City ESG HMIS 25-26	-	-	40,497.54	-	-	40,497.54
	4,596,021.08	**13,037,125.43**	**2,648,337.25**	**13,084,880.25**	**14,383,115.13**	**47,749,479.14**

LAHSA

Accounts receivable Details

Grant Title	AR Current	AR 1 - 30 Days Past Due	AR 31 - 60 Days Past Due	AR 61 - 90 Days Past Due	AR Over 90 Days Past Due	AR Total
Cty Co Meas A Local Sol Fund Adminstration	-	5,492,964.00	-	1,373,241.00	-	6,866,205.00
Co Justice, Care & Oppt Dept (JCOD)	-	23,389.25	-	-	-	23,389.25
Co MA LACAHSA RPHP Stablize Legal Svc and Prevention	270,072.15	-	-	-	-	270,072.15
Co MA LACAHSA RPHP Case Mgmt and Fin Assist	1,245,004.27	-	-	-	-	1,245,004.27
Co MH Local Juris City & COGs-Pathway Home	192,007.55	143,462.68	-	-	-	335,470.23
Co MH Local Jurisdictions-Cities & COGs	-	60,787.72	-	-	-	60,787.72
County DPSS CES Family Non-WtW HSP	631,234.00	-	-	-	-	631,234.00
DPSS CES FAMILY WTW HSP	349,860.00	-	-	-	-	349,860.00
County HPI HomelesSvcsFund SD5	-	-	-	-	14,188.00	14,188.00
County HPI HomelesSvcsFund SD4	178,929.02	-	-	-	-	178,929.02
County HPI HomelesSvcsFund SD3	477,533.71	-	-	-	-	477,533.71
Co Net County Cost Affordable Housing-TLS	1,428,945.17	-	-	-	-	1,428,945.17
County General Fund	-	-	-	-	(4,742.04)	(4,742.04)
County HHAP Youth	-	-	-	-	872,600.00	872,600.00
County State ESG Rapid Rehousing 25-26	142,828.00	-	-	-	-	142,828.00
County ESG Rapid Rehousing 24-25	157,423.00	-	-	-	-	157,423.00
	5,073,836.87	**5,720,603.65**	**-**	**1,373,241.00**	**882,045.96**	**13,049,727.48**

LAHSA

EXHIBIT 4

CHRISTOPHER PELHAM (BAR NO. 241068)
ABIGAIL URQUHART (BAR NO. 310547)
ALEX SCANDROLI (BAR NO. 345278)
NORTON ROSE FULBRIGHT US LLP
555 South Flower Street
Forty-First Floor
Los Angeles, California 90071
Telephone: (213) 892-9200
Facsimile: (213) 892-9494
christopher.pelham@nortonrosefulbright.com
abigail.urquhart@nortonrosefulbright.com
alex.scandroli@nortonrosefulbright.com

Attorneys for
LOS ANGELES HOMELESS SERVICES AUTHORITY

LOS ANGELES HOMELESS SERVICES AUTHORITY

REQUEST FOR HEARING IN RESPONSE TO U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S NOTICE OF SUSPENSION

DECLARATION OF CHRISTOPHER WILLIAMS

Pursuant to 28 U.S.C. § 1746, I, Christopher Williams, declare that:

1. I am over the age of eighteen and am competent to testify about the matters set forth herein. I have personal knowledge of the matters set forth herein.

2. For the past seven months, I have served as Los Angeles Homeless Services Authority's (LAHSA) Deputy Chief Risk Officer. I previously filed a declaration in *Los Angeles Homeless Services Authority v. Donald J. Trump, et al.*, Case No. 2:26-cv-07056-DOC (C.D. Cal.) (the HUD Litigation).

Form 700 Policies

3. In the Department of Housing & Urban Development's (HUD) June 11 Notice of Suspension (the June 11 Notice), HUD refers to an article from December 18, 2024 written by the LAist to allege that LAHSA "did not require any of its hundreds of staff and commissioners to file interest disclosure forms . . . before 2025." This is incorrect. Since at least 2005, LAHSA has maintained a Conflict of Interest Code addressing statements of economic interests (a/k/a Form 700s), which are mandated by California Code of Regulations § 18730. That policy required "All officials and employees listed 5 different "tiers" of disclosure requirements for designated positions, including all Commissioners, the Executive Director (now CEO), and Consultants. Attached hereto as Exhibit A is a copy of the August 10, 2005 Conflict of Interest Code.

4. The LAist article referenced LAHSA's amendment to its Form 700 policies in January 2025. This amendment expanded the designated positions required to submit Form 700s to include all employees with decision-making and influence levels of authority within LAHSA. Attached

hereto as Exhibit B is a copy of the January 23, 2025 Amended Conflict of Interest Code.

5. This amended policy came about due to changes in California law, requiring public agencies' conflict of interest codes to enumerate all positions that "may foreseeably have a material effect on any financial interest" under Cal. Gov. Code § 87302. To formalize the amended policy, this required approval from both LAHSA's Commission and the County's Board of Supervisors.

HUD OIG 2007 Audit

6. LAHSA has not identified anything in its records suggesting that HUD was unsatisfied with LAHSA's responses to findings made in the June 8, 2007 HUD OIG Audit.

7. LAHSA has a five year document retention policy regarding third party review and audit coordination. A true and correct copy of LAHSA's Third Party and Audit Coordination Policy is attached hereto as **Exhibit A**.

8. The findings described in the June 11 Notice were not present when the independent auditor conducted the 2008 Single Audit. A true and correct copy of the 2008 Single Audit is attached hereto as **Exhibit B**.

January 20, 2022 HUD OIG Audit Report

9. On August 16, 2022, LAHSA sent a letter to HUD in response to the January HUD OIG Audit measures. Attached hereto as **Exhibit C** is a true and correct copy of that letter.

10. As noted in my declaration filed in the HUD Litigation, HUD has fully resolved two out of the three findings. Attached hereto as **Exhibit D** is a true and correct copy of the HUD Office of Inspector General's Website noting the resolutions.

11. In addition, attached hereto as **Exhibit E** is a true and correct copy of a March 10, 2025 email from HUD Community Planning & Development Representative, Mary Kate Bavel, formally closing out Finding 1A from the 2022 HUD OIG Audit, which pertained to the $3.5 million in undistributed CoC funds.

May 14, 2025 Alvarez & Marsal Public Sector Services (A&M) Assessment

12. The June 11 Notice stated that the May 14, 2025 assessment by A&M concluded that "LAHSA was unable to accurately identify and calculate its expenses and did not rigorously reconcile spending with services provided, making it impossible to determine how much was spent, how well the services worked, or whether they were even provided."

13. The A&M assessment explains that the City's program design—using multiple funding sources to support various program components—made it difficult to track spending across programs and to trace costs to specific components. As applied to LAHSA, however, LAHSA utilizes distinct funding accounts to properly track expenditures by funding source, and is in compliance with these expectations as evidenced by its single audit results. The June 11 Notice also states that "A&M found LAHSA's contracts with providers to be unclear, allowing wide variations in the services provided and the cost of those services. A&M further found that LAHSA's "lack of data and real-time oversight not only limited the capacity to measure the effectiveness of homelessness interventions but also increased the risk of resource misallocation."

14. However, in addition to the information highlighted in my declaration filed in the HUD Litigation, there are fundamental issues with the A&M Assessment that HUD fails to account for.

15. First, the A&M report does not identify applicable criteria, demonstrate a deviation from any requirement, establish a cause attributable to LAHSA, or provide sufficient, appropriate evidence to support its conclusion.

16. Second, A&M asserts that contracts contained broad terms and lacked specificity. However, the report does not cite any federal, state, local, HUD, Continuum of Care, City, County, or LAHSA requirement mandating a greater level of contractual detail.

17. Without applicable criteria, there is no basis to conclude that the contracts were deficient, noncompliant, or inadequate.

18. While LAHSA was not a party to the LA Alliance litigation, LAHSA submitted a letter to the Court addressing parts of the A&M Assessment on March 24, 2025. A true and correct copy of that letter is attached hereto as **Exhibit F**.

May 21, 2026, the County's Auditor-Controller

19. The June 11 Notice cites to a May 21, 2026 Review by the County's Auditor-Controller, which I discussed in my previous declaration filed in the HUD Litigation. The June 11 Notice states, "[l]ike others described herein, the Auditor-Controller's review was frustrated because 'LAHSA was unable to provide complete financial statements and accounting records, including a balance sheet, which prevented us from conducting a full-scope review.'"

20. It is important to note that there were not findings in this review. These were recommendations which we responded to. There is no close out process involved as this review did not and will not include a follow up.

21. Regarding the statement concerning the balance sheet, a balance sheet is a formal financial statement—not a report. This means LAHSA must prepare it in accordance with GASB standards. Those standards govern how

financial position is presented, including required accruals, reconciliations, estimates, and disclosures. Preparing a balance sheet consistent with those standards requires completion of the full financial statement closing process, and closing monthly would divert staff capacity from our core responsibilities.

22. Government agencies do not typically publish monthly balance sheets. For example, the City of Los Angeles publishes its Annual Comprehensive Financial Report and the County publishes its Basic Financial Statements which contain its government-wide balance sheets at fiscal year-end.

23. LAHSA let the auditor know that we would not produce a balance sheet, but that we would provide a trial balance, which contains all balance sheet items.

24. Accordingly, there were no required corrective actions because LAHSA's policy for creating financial statements is consistent with its regulatory and contractual obligations as well as the typical course of practice for government agencies.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: Jul 10, 2026

Christopher Williams
Christopher Williams (Jul 10, 2026 17:25:05 PDT)
Christopher Williams
Deputy Chief Risk Officer, Los Angeles Homeless Services Authority

EXHIBIT 5

EXHIBIT E

LAHSA
LOS ANGELES
HOMELESS
SERVICES
AUTHORITY

Kristina Dixon
Molly Rysman
Acting Co-Executive Directors

Administrative Office

707 Wilshire Blvd.
10th Floor
Los Angeles, CA 90017

213 683.3333 - PH
213 892.0093 - FX
213 553.8488 - TY

www.lahsa.org

August 16, 2022

Rufus Washington, Director
U.S Department of Housing and Urban Development
Office of Community Planning and Development
300 N. Los Angeles St., Ste 4054
Los Angeles, CA 90012

Dear Rufus Washington:

Subject: HUD Office of Inspector General (OIG) Audit Report No. 2022-LA-1001 Continuum of Care (CoC) Program Management Decision

We would like to express our appreciation for our strong partnership with the U.S. Department of Housing and Urban Development (HUD) Office of Community Planning and Development (CPD) and welcome the continued collaboration to maximize the Los Angeles Homeless Services Authority' (LAHSA) internal effectiveness. This letter serves as LAHSA's response to the HUD OIG and CPD Management Decision that was provided on May 13, 2022.

LAHSA has experienced continuous growth since its establishment, and given the risks associated with such growth, LAHSA has consistently pursued programs and structural changes to effectively mitigate risks and meet the needs of people experiencing homelessness. LAHSA acknowledges the recommendations provided and has continued to implement these changes to strengthen our organization and the people we serve.

LAHSA notes that within the last two years, it has preempted measures and continuously performed due diligence in strengthening controls and resolving issues, all while efficiently managing its entrusted resources. To name a few examples, LAHSA has:

- Created the Grants Management & Compliance (GMC) Department, which will eventually assume ownership of the CoC Grant Management functions (including Grant Management, Compliance and Performance Management) necessary to effectively and efficiently manage LAHSA's direct CoC grants.
- Developed the Permanent Housing (PH) Department tasked with handling CoC portfolio, among other functions.
- Established the Permanent Supportive Housing (PSH) team to coordinate with GMC and to provide capacity building and technical assistance to service providers to reconcile budgets and expenditures.
- Launched the Enterprise Grant Management System (EGMS) to support full grant lifecycle administration, enhancing standardization of contracting requirements, transparent collaboration, and real-time spend-down analysis.
- Established Housing Central Command (HCC) as a centralized approach to tackling systemic challenges with LA's permanent housing utilization.
- Strengthened its monitoring protocol through hiring a CoC Manager, who came on board in June 2019. The CoC Manager is responsible for oversight of the CoC Program-funded grant portfolio, monitoring quarterly spending and ensuring the LA CoC Board is informed within its oversight function to set appropriate policies that help drive portfolio improvement.

Finding 1: The Authority Did Not Use All of Its Awarded CoC Grant Funds Expenses

Required Action 1A: Develop and implement policies and procedures to ensure that subgrantee agreements are executed in a timely manner, effective monitoring is performed, and subgrantees maintain an emphasis on using their CoC funds, thereby preventing similar occurrences of $3.5 million in CoC funding going unused.

LAHSA Response: LAHSA acknowledges the opportunity to enhance our current policies and procedures to ensure timely execution of subgrantee agreements, that on-going monitoring is performed, and the LA CoC funds are fully spent. Draft policies and procedures are attached and will be finalized by December 31, 2022. Upon finalization, LAHSA will provide the completed policies and procedures to HUD CPD. LAHSA is taking a proactive approach to monitor service providers to avoid CoC underspend by closely examining on-going budget versus actual expenditures and providing on-going technical assistance (TA) and real time guidance.

Upon notification of the underspending issue in the CoC grant portfolio in 2019, LAHSA immediately convened its two largest CoC grant recipients—the Housing Authority of the City of Los Angeles (HACLA) and the Los Angeles County Development Authority (LACDA, formerly the Housing Authority of the County of Los Angeles, or HACoLA)—to understand the systemic challenges they faced in drawing down their respective grants. With enhanced HUD technical assistance support, LAHSA established Housing Central Command (HCC) as a centralized approach to tackling systemic challenges with LA's permanent housing utilization, particularly focusing on the CoC-funded PSH resources managed by the two largest housing authorities in the region (HACLA and LACDA). The HCC mechanism utilizes a high level of engagement and collaboration among key system stakeholders, who convene leadership meetings every two weeks; participants in HCC Leadership Meetings include LAHSA itself, Public Housing Authorities (PHAs), the Department of Health Services (DHS), Department of Mental Health (DMH), Department of Public Social Services (DPSS), Veteran's Administration (VA), and the Los Angeles Housing Department (LAHD), among other entities. In addition, LAHSA also publicly reports CoC utilization rates to the LAHSA Commission on a quarterly basis.

LAHSA also advises that there is a considerable administrative burden placed on CoCs due to how the CoC Program funding is structured by HUD and/or the U.S. Congress, particularly the administrative labor required to apply for and renew more than 140 individual grants on an annual basis. CoCs—and, by extension, the people, and communities they serve—would be better served if CoC stakeholders were able to minimize the need to partake in grant writing/administrative activities and sustain focus on implementing and monitoring projects.

LAHSA recommends that the HUD-CoC Grant have the ability to operate under a multiyear term. LAHSA would parallel this by having corresponding multiyear contracts with its service providers, thus reducing the frequency of—and the administrative burdens presented by—the grant application and contract renewal processes. This would enable providers to devote more personnel hours to service provision, increasing the chance of improved performance level and outcomes in the process.

A shift in structure would also support HUD in executing grant agreements earlier in the year when CoC grants begin renewing. A problem that is widely observed and acknowledged by HUD (for example, FY 2021 renewal grants were not issued to LAHSA until 5/31/2022—nearly four months after the first FY 2021 CoC renewal grants terms were supposed to begin, meaning agencies could not be reimbursed by HUD for costs incurred during the delay between grant terms).

These issues illustrate the compounding ripple effects of a federal program structure having real-time consequences on CoCs actively working to reduce homelessness.

Furthermore, LAHSA has updated its contracting policies and procedures to include processing timelines, that will ensure the timely execution of both the grant (funder) agreements with HUD and the service providers contract agreements. Moreover, LAHSA has streamlined its contract processing by eliminating extraneous reviewers in the process workflow and by transitioning to digital routing and signature of documents both internally amongst LAHSA personnel and externally to its Providers and Funders. To provide additional support in the processing of grant agreements and to address staffing concerns, the Funding & Grants Unit (in the Contracts & Procurement Department) has been created and staffed specifically to manage the processing of funder agreements and grants. At the same time, the Contracts Unit expanded the number of Specialists charged with managing service provider portfolios by 28%. Finally, LAHSA has also launched a Contracting and Procurement Optimization project to enhance the procurement and contracting processes overall and implemented the new Enterprise Grants Management System (EGMS).

Documentation Required for Closure of 1A: LAHSA should implement written policies and procedures[1] that ensure subgrantee agreements are executed timely, monitoring is performed[2], and specific focus is placed on the utilization of funds. Documentation submitted should include policies and procedures and certification of implementation from the appropriate official.

Required Action 1B: Develop and implement strategies to address capacity and organizational problems or obtain technical assistance to address these issues.

LAHSA Response: LAHSA acknowledges the opportunities to enhance and implement strategies to improve capacity and address organizational limitations. LAHSA welcomes the opportunity to receive technical assistance.

To strengthen its retention rate for its internal personnel, LAHSA has reassessed and restructured its organization, which has resulted in more opportunities for internal promotions. In this past year, LAHSA has promoted 110 employees—an increase from the 68 internal promotions that occurred in the previous year. LAHSA has also been able to convert more of its temporary “temp” employees into permanent staff. In this past year, 24 temps become full time LAHSA employees, an increase from the 7 such conversions recorded two years ago.

In addition, in FY21-22, LAHSA entered a contractual relationship with *Simpler Consulting* (an IBM affiliate), which would see the latter work with LAHSA to conduct a Value Stream Analysis (VSA) on a series of LAHSA’s core functions. The long-term objective of this work is to reform and restructure the function or process in question to improve its efficiency and effectiveness using the *Lean Simpler Business System* (a modified version of the “*Lean Six-Sigma*” System.)

The first LAHSA function or process to be subject to a Value Stream Analysis was LAHSA’s Grant Management process, which encompasses the initial awarding of funds (such as CoC funding) to LAHSA from a Funder Entity (such as HUD) through LAHSA’s efforts to award and allocate that funding amongst different Program Components and Service Provider Contracts, ultimately ending in the execution and

[1] DRAFT CoC Subrecipient Management Policy and DRAFT CoC Subrecipient Grant Management Procedure.
[2] FY 21-22 Monitoring Plan.

complete spend-down of those Contracts (as well as the achievement of any performance targets specified by the Program Component or Funder) by the end of the Contracts' terms.

This Value Stream Analysis will be completed in September 2022, and it has already resulted in multiple process reforms, and the development of several new resources and processes. Although comprehensive data detailing the effect of these changes on LAHSA operations is still limited in scope due to their recency, the early data suggests that there have been improvements in Contract Amendment, Contract Budget Modification and Approval, and Invoice Processing speeds since the VSA-induced changes have occurred.

In addition, there is also work underway to apply many of the process changes resulting from the VSA to the HUD-CoC Contracts, which should stand to address many of the issues noted in this letter by enabling more consistent real-time tracking of HUD-CoC-funded Contracts' spend-down and more timely identification of problems (and corresponding corrective modification or amendment to those Contracts) than was the case before the VSA. Moreover, there are additional also, Value Stream Analyses being planned on other LAHSA functions in the months and years ahead (such as for its Data Management and Risk Management functions), and these moves should also prove beneficial in allowing for closer oversight and more efficient, effective management of the HUD-CoC Funding Source.

Finally, LAHSA also advises that it is working with another consultant (*Clutch Consulting*) to implement structural changes that would result in more personnel being devoted to the oversight of the HUD-CoC funding source. These changes are projected to include the devotion of a manager-level position in GMC Department (plus several staff-level Grant Specialists) to oversight and management of the HUD-CoC funding source; these additional staff should hopefully prevent recurrence of issues noted in this letter in the years to come.

Documentation Required for Closure of 1B: LAHSA should implement strategies to address capacity and organizational problems, including obtaining technical assistance to address these issues. CPD recognizes that LAHSA has been working with HUD and a technical assistance provider and will include that documentation in response to this finding. CPD requests that LAHSA provide any additional documentation of other strategies implemented by LAHSA.

Required Action 1C: Develop and implement procedures and controls to clearly define and update point-of-contact staff for subgrantees.

LAHSA Response: LAHSA has created a new Grants Management and Compliance Department to address the immediate needs of our subrecipients. GMC will also establish cross-departmental policies & procedures to institute role clarity throughout LAHSA where its GMC-related functions are concerned, and it is likewise in the process of filling its various personnel vacancies to ensure LAHSA can meet its regulatory, contractual, and performance obligations as a CoC grantee. In addition, the GMC Department's policies and procedures controlling and defining point-of-contact will be finalized and submitted to HUD-CPD no later than March 31, 2023.

LAHSA's efforts to fully staff the GMC Department—and establish role clarity for the Department for both other LASHA Departments and LAHSA's external partners, such as its providers and funders—has resulted in the creation of the Grants Specialist and Senior Grants Specialist positions[3], which will serve as the central, main points of contact for issues related to oversight of the funding and compliance matters.

[3] Appendix 1.

These positions will also provide any other technical assistance support service providers may need to achieve optimal outcomes with their grants. This support includes, but is not limited to:

- Invoice Submission
- Complete Spend-Down of Contract Allocations
- Cost Allocation Planning (Indirect, Direct, Programmatic, and Administrative)
- Cost Eligibility for Program Components
- Compliance with Programmatic and Fiscal Requirements
- Technical Support with Navigation of Enterprise Grants Management System (EGMS)
- Budgetary Amendments

In addition, LAHSA advises that, as part of its VSA work (noted in the response to 1B), LAHSA is in the process of implementing revised processes for its receipt, tracking, and resolution of inquiries from its service providers regarding their contracts with LAHSA. These restructured processes would designate the "Grants Specialist" positions as the singular point-of-contact for Contract-related inquiries from its Providers (for reference, the Grants Specialists would be assigned to oversee contracts falling under given Program Components, Providers, or Funding Sources, meaning that some Grant Specialists would be assigned to cover HUD-CoC-funded Contracts.)

Moreover, in concert with its VSA-related work, in August 2022, LAHSA's Data Management and IT Departments launched a new ticketing system to route inquiries from its Providers (as well as from internal LAHSA personnel) to appropriate personnel for resolution. This has allowed for both direct assignment of inquiries to singular points of contact (and resolution) and for the progression of those inquiries toward eventual resolution to be tracked. It is therefore expected that both the VSA reforms and the implementation of the new ticketing system will allow for the definition and assignment of updated LAHSA points-of-contact for all its Providers, including those with HUD-CoC-funded contracts.

Documentation Required for Closure of 1C: LAHSA should implement policies, procedures, and controls to clearly define and update point-of-contact staff for subgrantees. Documentation submitted should include the policies and procedures and certification of implementation from the appropriate official.

Required Action 1D: Work with HUD and subgrantees to reevaluate its CoC program's performance goals and set targets that help to ensure that funds for future CoC grants are fully and effectively used to advance the goal of ending homelessness.

LAHSA Response: The CoC Board annually establishes the performance evaluation methodology and corresponding performance metrics used by the CoC NOFO to measure portfolio performance locally for the given grant year. LAHSA is working to operationalize the set performance standards for the current year, and LAHSA will also update its operationalized performance standards each year as new standards are reevaluated and reissued by the CoC Board. LAHSA, as the Collaborative Applicant, supports the Board's work in developing performance goals and is working with the Board to create an accountability mechanism for more active performance monitoring of the CoC Grant-funded contract portfolio. In addition, LAHSA is currently conducting CoC performance evaluations through its Data Management Department. LAHSA will submit to HUD the final, CoC Board-approved score reports no later than December 31, 2022.

Documentation Required for Closure of 1D: LAHSA should provide confirmation of a review of performance goals and targets for better utilization of CoC grants and their impact on homelessness.

CPD recognizes that LAHSA has been working with a HUD technical assistance provider and will include that documentation in response to this finding. CPD requests that LAHSA provide any additional documentation of the review of performance goals and targets completed by LAHSA[4].

Finding 2: The Authority Did Not Support Salary and Rental Costs Charged to Its CoC HMIS and Planning Grants.

Required Action 2A: Adequately support the eligibility of payroll costs or repay its CoC grants of $824,302 from non-Federal funds.

LAHSA Response: LAHSA acknowledges that direct allocation of CoC Funding to Payroll-related costs was not clearly established with documentation provided in the past. LAHSA advises that the attached document's "2A" tab provides an example of how its Cost Allocation Plan for Payroll costs is done in practice[5].

LAHSA also advises that it provided documentation demonstrating CoC funding allocation to payroll costs to HUD-OIG in May and June 2019, in response to a prior round of sampling requests. This documentation includes individual sample requests from cash journals, as well as a 6-month reconciliation for CA1683L9D001700 (see the "CA1683L9D001700 BY MONTH" and "2A" tabs in the attached document) to explain payroll cost allocation. The methodology for Timesheet allocations is compliant with Uniform Guidance, with expenses recorded as duties are performed, after which allocation to the benefiting grants and programs is done. Therefore, the payroll registers, paystubs, general ledger (GL) reports, Timesheets, and Revenue & Expenditure (R&E) reports were provided to support the payroll cost allocations.

The salaries charged to the CoC planning grant were actual hours, directly charged, and allocated to the CoC, city match and county match as outlined in LAHSA's contract with HUD. LAHSA ensured that at the end of the contract period the required match to the CoC contract was met. This is shown in the RER and final cash request documentation submitted during the audit. LAHSA will continue to work with HUD CPD to validate the eligibility of all payroll costs incurred, through the supporting documentation, while also work to enhance written procedures and controls to ensure personnel charges comply with our established cost allocation plan and OMB Uniform Guidance.

Moreover, LAHSA will revisit previous time studies before conducting its new time studies to better align with industry standards going forward. LAHSA intends to complete a new time study by March 31, 2023. Upon completion of the new time study in March 2023, LAHSA will provide a copy to HUD OIG.

LAHSA is committed to continuous improvement of its processes and to ensuring optimal efficiency and effectiveness in its functions. As such, LAHSA welcomes any TA that HUD can provide to ensure adequate salary and rental cost are charged to CoC appropriately and within alignment criteria to the CoC HMIS and Planning Grants.

Documentation Required for Closure of 2A: LAHSA needs to support the eligibility of payroll costs from its CoC grants for $824,302. Documentation should include financial records that support the costs, including documentation of the methodology implemented to determine the eligible costs and how they were incurred. If LAHSA cannot provide documentation to support the costs, LAHSA will need to repay from non-Federal funds.

---

[4] CoC Renewal Projects Performance Evaluation.
[5] Appendix 2

Required Action 2B: Adequately support the eligibility of rent costs or repay its CoC grants of $55,545 from non-Federal funds.

LAHSA Response: LAHSA acknowledges that direct allocation of CoC Funding to Rent-related costs was not clearly established with documentation provided in the past. LAHSA advises that the attached document's "2B" tab provides an example of how its Cost Allocation Plan for rental costs is done in practice.

LAHSA also advises that, in 2020, it submitted documentation in response to prior sampling requests from HUD-OIG for rent allocations. This documentation demonstrated that rent is allocated based on a proportional share of the payroll, with the payroll costs derived from Timesheet allocations. The rental cost is distributed based on each LAHSA Department's proportional share of total salaries, with further distribution occurring to specific cost centers within Departments. For example, in the "2B" tab of the attached document, "Dept. 1300 (Finance)" has a 14% cost share in rental expenses, resulting in the Finance Department accounting for $18,760.90 in rental expenses.

LAHSA is committed to continuous improvement of its processes and to ensuring optimal efficiency and effectiveness in its functions. As such, LAHSA welcomes any TA that HUD can provide to ensure its payroll costs charged to the CoC Grant are in alignment with the eligibility criteria specified by the CoC funding source.

Documentation Required for Closure of 2B: LAHSA needs to support the eligibility of rent costs from its CoC grants in the amount of $55,545. Documentation should include financial records that support the costs, including documentation of the methodology implemented to determine the eligible costs and how they were incurred. If LAHSA cannot provide documentation to support the costs, LAHSA will need to repay from non-Federal funds.

Required Action 2C: Develop and implement additional written procedures and controls to ensure that employees charge time in accordance with program requirements and that the authority fully documents and supports that salary and rental cost allocations are charged to its CoC grants in accordance with its cost allocation plan.

LAHSA Response:
LAHSA acknowledges the opportunity to enhance current written policies and procedures to better align with best practices of cost allocation plans for its staff to prevent recurrence of these issues going forward. LAHSA will provide the finalized procedures to HUD CPD no later than March 31, 2023.

Documentation Required for Closure of 2C: LAHSA should develop and implement written procedures and controls to ensure that employees charge time in accordance with program requirements and that the Authority fully documents and supports that salary and rental cost allocations are charged to its CoC grants in accordance with its cost allocation plan.

Finding 3: The Authority Did Not Submit Annual Performance Reports in a Timely Manner.

Required Action 3A: Complete and implement policies and procedures to ensure that Annual Performance Reports (APRs) are submitted by the closeout deadline.

LAHSA Response: LAHSA acknowledges that Annual Performance reports (APR) were not submitted in a timely manner. Since then, LAHSA has developed written policies and procedures to address timely submission and have been current with APR submissions as they come due. Since the summer of 2021 LAHSA has submitted over 170 APRs. We've made significant progress in clearing our backlog of APRs while working to remain current on APRs as they come due. Completion of APRs requires intensive collaboration of several internal departments at LAHSA in conjunction with our subrecipients. While we continue to make progress clearing backlog APRs, we must also work to remain current on submitting new APRs as they come due, of which there are several each month. LAHSA continues to have a standing workgroup to maintain progress on submitting both our backlog and current APRs and are working to have the backlog cleared no later than June 30, 2023.

Documentation Required for Closure of 3A: LAHSA should develop and implement written policies and procedures[6] to ensure that APRs are submitted by the closeout deadline. In addition, LAHSA has a backlog of APRs that need to be completed and submitted. Documentation submitted should include the policies and procedures and certification of implementation from the appropriate official.

Required Action 3B: Develop and implement policies and procedures to ensure that relevant personnel are routinely and regularly trained on the grant closeout process.

LAHSA Response: LAHSA acknowledges the need to ensure that relevant personnel are routinely and regularly trained on the grant close-out process. LAHSA continues to receive technical assistance and has continued to work with HUD on improving our processes.

Documentation Required for Closure of 3B: LAHSA should develop and implement written policies and procedures to ensure that relevant personnel are routinely and regularly trained on the grant closeout process[7]. Documentation submitted should include the policies and procedures and certification of implementation from the appropriate official.

Conclusion
We appreciate the opportunity to address HUD Office of Inspector General (OIG) Audit Report No. 2022-LA-1001 Continuum of Care (CoC) Program Management Decision of LAHSA CoC programs for the period of October 2017 to September 2019. LAHSA values the partnership with HUD in effectively administering CoC programs. LAHSA will continue to lead system solutions for the crisis of homelessness grounded in compassion, equity, and inclusion.

Should you have any questions regarding LAHSA's response, please do not hesitate to contact audit@lahsa.org, hhenderson@lahsa.org, mveavealagi@lahsa.org, or dfriess@lahsa.org.

Sincerely,

Kristina Dixon (Aug 16, 2022 11:24 PDT)
Kristina Dixon,
CFAO/Acting, Co-Executive Director

Molly Rysman (Aug 16, 2022 11:15 PDT)
Molly Rysman,
CPO/Acting, Co-Executive Director

[6] CoC APR Policy and Procedures
[7] Close Out Process