

February 28, 2025

The Honorable Holly J. Mitchell Los Angeles County Board of Supervisors, Second District 500 West Temple Street Los Angeles, CA 90012

Dear Supervisor Holly J. Mitchell,

Over the past two months, the County Executive Office Homeless Initiative (CEO-HI) has provided several presentations on Measure A funding allocations and scenario formulas for the Local Solutions Fund (LSF) allocation. In response, the South Bay Cities Council of Governments (SBCCOG) Board of Directors authorized this letter during their February 27 meeting to be sent on behalf of our member cities to advocate for CEO-HI's proposed Scenario 4 formula for LSF allocations. Measure A provides all of us with the chance for a new start in County-Cities partnership in addressing homelessness and we hope to use this opportunity, and lessons learned, to improve services for constituents in need.

The proposed Scenario 4 allocates 90% of funding using a two-year point-in-time (PIT) count average and 10% of funding based on the prevalence of deeply impoverished families earning less than \$10,000 a year, using the U.S. Census Bureau's American Community Survey (ACS) 5-year estimate data. The SBCCOG supports this funding scenario as the most equitable option. The inclusion of ACS data on deeply impoverished families addresses a gap in the current PIT count data on families, acting as a proxy measure for the federal McKinney Vento Act definition of homelessness. Furthermore, it is inclusive of the socioeconomic conditions correlated to homelessness. As such, this scenario directly remedies the inequities surrounding Measure H and empowers our cities through the SBCCOG with increased funding to prevent and address homelessness.

The SBCCOG would also be supportive of increasing the ACS weighting and/or expanding the PIT count average to 3 years instead of 2 years as these would both minimize the large fluctuations of the PIT count and allow for more effective program planning. We strongly support any mechanism or formula such as these that will minimize the volatility of the PIT count values and thus would not adversely affect jurisdictions should they significantly reduce their PIT count.

In advocating for Scenario 4, we feel it is also important to highlight the shortcomings of the other CEO-HI proposed scenarios. Scenarios 1 and 2, which both solely use PIT Count values which do not necessarily reflect the population in need and maintain the status quo and therefore result in an inequitable distribution of Measure H funds. Measure A is an opportunity to think differently and find new solutions. Scenarios 1 and 2 fail to meet that requirement. Scenario 3 presents the potential for an incentive metric, but the details regarding its implementation remain unclear, including the foundational structure and framework of the incentive. Given the time constraints, we are concerned about CEO-HI's capacity to adequately develop this option within the specified timeframe. On Scenarios 5 and 6, while they

acknowledge the incredible affordable housing need in the County, the SBCCOG sees the use of the Regional Housing Needs Assessment (RHNA) and annual progress report data tracking as a significant weakness. RHNA is not a dynamic measure due to its 8-year cycle, and these scenarios may penalize cities who have more limited areas of vacant land for development and have no control over the market forces impacting whether housing is built nor when and where it is built. Furthermore, it may be redundant with LACAHSA's funding distributions, which have yet to be determined.

Another important point we would like to bring to your attention is that the impact of choosing a scenario is not weighed equally for the different regions. For example, if you were to select Scenario 1 over Scenario 4, both the SBCCOG and the San Gabriel Valley COG would experience a **25% decrease** in funding; however, LA City would only see a 6% increase. A 25% decrease would be a significant hit to our already smaller allotment of LSF funding, especially when compared to LA City.

Using lessons learned from Measure H, the SBCCOG would also like to encourage a more detailed examination of the larger Measure A funding decisions from CEO-HI beyond LSF so that the successful programs that have been established in communities can be considered for additional funding. This could also demonstrate for our cities and residents more equitable return on their Measure A tax dollars in our communities. We are frequently in conversations with our regional partners and outreach case managers who express being hindered by limited funds, personnel, and access to County resources. While LSF is an essential part of funding our services in the South Bay, the SBCCOG feels that other portions of Measure A funding should also be scrutinized and available for programs and projects that have demonstrated their effectiveness. For example, the County could consider allocating a guaranteed minimum funding, such as from the Core Homeless Services budget, for cities and COGs to amplify effective community-based programs to help our residents exit homelessness to permanent housing.

Thank you for your continuing leadership and partnership with the SBCCOG to address homelessness in the County of Los Angeles. We acknowledge that there are variances of opinion on the best LSF scenario, and it is critical that COGs and other stakeholders are involved in the decision-making process. We hope that there are more opportunities to come to the table and work toward a consensus on our shared goal to end the homelessness crisis in L.A. County. We are available to discuss these matters further with your office. Feel free to contact the **SBCCOG** Executive Director Jacki Bacharach at jacki@southbaycities.org with any questions.

Sincerely,

Rodney Tanaka Chair, SBCCOG Board of Directors Mayor Pro Tem, City of Gardena