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March 23, 2026

Controller Details Prior FY 2025 Homelessness Spending as a Part of Ongoing Efforts To Urge Transparency and Action

City Underspent by Nearly Half a Billion Dollars on Homelessness in Fiscal Year 2025

LOS ANGELES – LA City Controller Kenneth Mejia released an [analysis](#) today which found that **the City underspent on homelessness efforts by at least \$473 million in FY 2025.**

In FY 2025, the Homelessness Adopted Budget was \$961 million. When adjusted for additional appropriations and prior year amounts, it totaled \$1.1 billion. **Of the \$1.1 billion budget, only \$516 million was spent and \$119 million was encumbered.** (Encumbered amounts are amounts that have been committed that may or may not end up being spent). Most of the unspent homelessness funds are sourced from Special Funds which get rolled over to the next fiscal year to spend again on homelessness related efforts. Previously, for FY 2024, the Controller reported that the City underspent its \$1.3 billion homelessness budget by over half a billion dollars.

Read the analysis:

fy25uhf.lacontroller.app

Main reasons for unspent amounts:

- Homelessness budget includes **money that won't be expended until future years**
 - For example, some **state grants** like Homeless Housing, Assistance and Prevention (HHAP) Grants won't be expended until future years
 - **Affordable housing development** funded by Measure ULA can take up to three years for the City to approve
- **Delays in City approvals for spending plans and contracts** related to Measure ULA tenant protections, defense, and assistance.
- **Lack of staff and resources** related to departmental homelessness spending to fully utilize their budget
- Homelessness efforts are **decentralized** – with no one department overseeing – hindering timely analysis

“Breaking City Hall from its decades old dysfunctional system is how we finally brought homelessness down by 17%. I’m glad to support the Controller’s recommendations to further reform the status quo,” **Mayor Karen Bass** said. “We are committed to transparency so Angelenos will have a clear picture and understanding of how much is being spent in one year and what funding is supporting programs over multiple years. It’s important that we strategically

spend funding over multiple years to ensure we can sustain progress despite state and federal changes.”

“Despite repeated efforts by the Council to get real-time reports on the progress of homelessness spending and to centralize budgetary oversight, Controller Mejia’s analysis reveals that the City has once again spent far less than its allocated homelessness budget,” said **Councilmember Nithya Raman**, Chair of the Housing and Homelessness Committee.

“Last year’s budget included funding for my motion to establish a Bureau of Homeless Oversight explicitly tasked with monitoring the City’s homelessness spending. Nearly a year later, not one staff member has been hired. Unless we are able to move with greater urgency to provide accountability to the public, Angelenos will lose faith that the City is spending these desperately needed dollars well.”

“The housing and homelessness crisis demands immediate action, not delay,” said **Councilmember Ysabel Jurado**, Vice Chair of the Housing and Homelessness Committee.

“We must ensure every dollar allocated to fight homelessness is spent effectively and equitably. I am committed to ensuring real solutions that deliver the stability, safety, and dignity Angelenos deserve.”

“For the second year in a row, the City ended up spending much less on homelessness than it promised,” said **Controller Mejia**. “Often, most of the unspent money is rolled into the next year’s budget, but there are risks that some funds may be lost to other budget priorities. People need housing and services today, not a year or two from now.”

The Controller added, “The large homelessness budget leads the public to believe that the City is spending much more on homelessness than it actually is, increasing the public’s expectations and causing frustration when results inevitably do not align with the budget.

“The City should revisit the way the homelessness budget is set up. It should only appropriate funds that are expected to be spent for the coming fiscal year and include what they believe should be properly categorized under the homelessness budget.”

Controller Mejia’s office is the first ever to formally track City homelessness spending. The Office began tracking homelessness spending for Fiscal Year 2024 with its [Homelessness Dashboard](#). FY24 was the first year the Office tracked homelessness underspending, when it [found that the City had budget \\$1.3 billion for FY24 but spent only \\$599 million](#).

Controller Mejia’s Recommendations:

1. **Homelessness Budget Process for Homeless Housing, Assistance and Prevention (HHAP) Grants:** During next fiscal year’s budget process, appropriate only what the City believes will be spent for that fiscal year. If the City knows certain funds or grants won’t be expended until future years, do not include them in next fiscal year’s budget.
2. **Unspent Measure ULA Dollars:** Clearly communicate the timelines for acquisition and rehabilitation of affordable housing and tenant related services. Most of the underspend

relates to tenant assistance, defense, and protections. Tackling delays as it relates to hiring, contracting, and approvals processes will help ensure that services are provided to tenants at risk of falling into homelessness.

3. **Homelessness Budget Process for Measure ULA:** Determine if certain Measure ULA spending is rightfully categorized under the homelessness budget since large amounts originally budgeted in the homelessness budget were not spent or encumbered mainly related to tenant related services.
4. **Homelessness Budget Process Right Sizing:** Based on our report of unspent / uncommitted homelessness funds, determine whether these funds will be spent in the next fiscal year if they are to be included again in the homelessness budget.
5. **Timely Updates on Homelessness Spending (Monthly or Quarterly):** To ensure that homelessness dollars are being spent in a timely manner, the Controller's Office and the CAO can provide periodic updates on how spending is tracking against the budget. Other responsible departments should also give regular updates on their spending plans. The Controller's Office currently tracks real-time spending and gets monthly updates from departments on homelessness spending. Formalizing these updates will help the City identify issues and bottlenecks to ensure timely utilization.

Other highlights:

The largest **unspent** amounts came from:

- Homeless Housing, Assistance and Prevention (HHAP) Grants: \$223,595,572
 - Top unspent areas related to multi-year grants:
 - i. HHAP 5: \$164,335,500
 - ii. HHAP 4: \$31,066,784
 - iii. HHAP 3: \$22,479,930
- Measure ULA: \$99,302,723
 - Top unspent areas related to:
 - i. Income Support for Rent-Burdened At-Risk Seniors and Persons with Disabilities: \$38,316,631
 - ii. Short-Term Emergency Assistance: \$18,598,316
 - iii. Acquisition and Rehabilitation of Affordable Housing: \$16,180,664
 - iv. Eviction Defense/Prevention: \$16,180,664
- Inside Safe: \$64,267,805
- Sanitation: \$17,914,511

The largest **spent** and encumbered amounts came from:

- Homeless Housing, Assistance and Prevention (HHAP) Grants: \$122,466,211
- Inside Safe: \$120,376,817
- Prop HHH Permanent Supportive Housing: \$80,001,135
- Sanitation: \$61,498,345
- Measure ULA: \$60,483,802
 - Top spent or encumbered areas:
 - i. Eviction Defense/Prevention: \$23,398,898
 - ii. Acquisition and Rehabilitation of Affordable Housing: \$21,015,967

- iii. Income Support for Rent-Burdened At-Risk Seniors and Persons with Disabilities: \$9,880,000
- Los Angeles Homeless Services Authority (LAHSA): \$43,087,267