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WHERE DID LA’S HOMELESSNESS MONEY ACTUALLY GO?

Tracing public dollars from appropriation to program, provider, and outcome

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EXECUTIVE SUMMARY

Los Angeles does publish substantial information about homelessness spending. The City budget identifies funding sources and planned expenditures; the City Administrative Officer issues homelessness funding reports; the City Controller publishes checkbook and fund data; contracts are available through the City Clerk; and LAHSA and County systems contain additional financial and performance information. The problem is not that no records exist. The problem is that answering a basic public question — where did the money actually go? — can require reconstructing a chain across budgets, appropriations, contracts, reimbursements, providers, and performance records that were not designed to function as one public accounting system.

For Fiscal Year 2025-26, the City of Los Angeles adopted a homeless-related budget of approximately $953.3 million, evaluated here using the AVAILABLE / PARTIAL / FRAGMENTED evidence-status framework outlined below. That figure was not a single pot of money. It combined the General Fund, departmental special funds, federal and state grants, Measure ULA revenue, Proposition HHH resources, encampment-resolution grants, Homeless Housing, Assistance and Prevention grants, and other sources. The budget therefore tells the public how much spending authority exists and where funding originates. It does not, by itself, tell the public which entity ultimately received each dollar, what service was purchased, or what outcome followed.

Recent City reporting demonstrates that more detailed tracing is possible. A March 2026 comprehensive report on FY 2024-25 homelessness spending stated that the City’s adjusted homeless budget was $967.9 million. Of that amount, $636.4 million was reported as expended or encumbered, $325.8 million was reappropriated to FY 2025-26, $0.6 million reverted to its originating funding source, and $5.2 million was identified as savings pending reallocation. Importantly, the report explained that much of the reappropriation reflected multiyear funding rather than simply money that agencies failed to spend.

That distinction matters. A rigorous accountability system should not equate “budgeted” with “spent,” “unspent” with “wasted,” or “contracted” with “service delivered.” Each describes a different stage in the life of a public dollar.

BeaconStone's review finds that Los Angeles has made meaningful progress toward consolidated homelessness spending reporting, but the public trail becomes harder to follow as money moves from appropriation to administering agency to provider and, where applicable, subcontractor — and harder still when the question becomes what measurable result was produced by a specific expenditure. This is not merely BeaconStone's inference. A court-ordered independent assessment by Alvarez & Marsal reported fragmented accounting records and difficulty completely quantifying expenditures for the City programs it reviewed using the data provided.

The appropriate conclusion is narrower — and more useful — than the claim that Los Angeles "lost" or "cannot account for" all homelessness money. Large amounts can be identified in public budgets, funding reports, contracts, and transaction systems. The accountability gap is that those records do not yet operate as a single, end-to-end public ledger connecting appropriation → expenditure → recipient → service → outcome.

This paper attempts to map that trail and identifies where it remains complete, partial, fragmented, or dependent on additional records.

1. START WITH THE RIGHT QUESTION

Public debate about homelessness spending often begins with a very large number and ends with a very large accusation. That approach can obscure more than it reveals.

A budget is authorization to spend. An encumbrance is an obligation or commitment against available funds. An expenditure reflects money recognized as spent under the relevant accounting system. A contract establishes terms under which an entity may be paid. A payment shows that money moved. An invoice or supporting record should establish what the payment purchased. A performance record should show what the funded activity produced.

Those are different things.

For accountability purposes, the question is therefore not simply:

"How much did Los Angeles spend on homelessness?"

It is:

"Can a public dollar be followed from its source, through each institution that controls it, to the service purchased and the result reported?"

BeaconStone uses five evidence statuses throughout this inquiry:

AVAILABLE — the relevant public record can be located and identifies the stage of the funding trail.

PARTIAL — some information is public, but it does not complete the next link in the trail.
FRAGMENTED — the information appears across multiple systems or records and must be manually reconciled.
CONFLICTING — public records use different figures, definitions, periods, or accounting treatments that cannot responsibly be treated as interchangeable without reconciliation.
NOT PUBLICLY ESTABLISHED — the reviewed public record does not establish the requested link; this does not mean the information does not exist internally.

This vocabulary is deliberately cautious. A missing public link is not evidence that money disappeared. It is evidence that the public accounting trail is incomplete at that point.

2. THE FIRST LAYER: WHAT LOS ANGELES BUDGETED

The City's FY 2025-26 adopted homeless budget totaled $953,314,224. The published budget shows that this total spans multiple funding streams rather than a single account, including $164,335,500 in HHAP 5 funding, $71,820,000 in HHAP 6 funding, $37,286,378 in Proposition HHH resources, Measure ULA appropriations totaling approximately $146.7 million, and numerous other General Fund, grant, departmental, and dedicated sources.

Evidence status: AVAILABLE.

This is meaningful transparency. A member of the public can identify the scale and source composition of the City's planned homelessness spending.

But the adopted budget is the beginning of the trail, not the end. Some funds are multiyear. Some are restricted to particular purposes. Some may be reappropriated. Some support City departments directly; others move through LAHSA or other entities. A single headline number therefore cannot responsibly be described as cash that was necessarily paid out during that fiscal year.

3. THE SECOND LAYER: WHAT WAS ACTUALLY EXPENDED OR COMMITTED

The City has begun producing a more useful bridge between budget authority and actual financial activity.

In March 2026, the CAO and Chief Legislative Analyst reported on FY 2024-25 under Council File 25-0277 (the tracking number the City Council uses for this matter). The City initially allocated $960.8 million for homelessness-related purposes. After amendments, the adjusted amount was $967.9 million. The report classified the year-end disposition as:

- $636.4 million expended or encumbered
- $325.8 million reappropriated to FY 2025-26
- $0.6 million reverted to the originating funding source
- $5.2 million in savings pending reallocation

The report further noted that $571.6 million of the adjusted budget consisted of funding that could be allocated and expended over multiple years. It specifically explained that $248.1 million of reappropriation associated with House LA, Proposition HHH, and State funding was expected because those sources support multiyear efforts.

Evidence status: AVAILABLE at the consolidated funding-source/program level, with additional tracing required for individual payments and recipients.

This report is important for two reasons. First, it gives the public a much better answer than the adopted budget alone. Second, it demonstrates why simplistic “unspent money” claims can mislead. Reappropriation can reflect timing and multiyear program design rather than a failure to deploy funds.

BeaconStone’s standard should therefore be symmetrical: government should not receive credit merely because money was budgeted, and critics should not label every year-end balance a failure merely because it was not spent by June 30.

4. THE THIRD LAYER: WHO RECEIVED THE MONEY

At the contract level, Los Angeles provides considerably more information than a casual observer might assume.

For example, City Contract C-145627 identifies a FY 2024-25 agreement with the Los Angeles Homeless Services Authority totaling $46,253,817. The City Clerk record breaks that amount into program components including the Point-in-Time Count, Continuum of Care administration, shelter and housing interventions, street strategies, and A Bridge Housing operations.

Another agreement, Contract C-144656, identifies $75,557,370 for continued Roadmap Interim Housing Interventions through June 30, 2025.

Evidence status: AVAILABLE for these City-to-LAHSA contractual commitments.

The difficulty increases at the next stage. A City contract with LAHSA identifies LAHSA as the recipient and may identify program categories. It does not necessarily answer, in the same public record, which service providers ultimately received those funds, which subcontracts governed the work, when invoices were paid, what portion of the City allocation funded each provider, and what outcomes were attributable to each expenditure.

Evidence status for end-to-end City → LAHSA → provider → service → outcome tracing: PARTIAL / FRAGMENTED.

This distinction is central to the paper. Los Angeles can often show where money went at one layer. The challenge is following the same dollar across layers without changing systems, definitions, identifiers, and reporting periods.

5. A CASE STUDY: INSIDE SAFE

Inside Safe illustrates both how much information now exists and how much reconciliation remains necessary.

The City's Fourth Homelessness Funding Report for FY 2025-26 described $100.8 million in available funding authority for Inside Safe before adjustments for prior-year obligations. It projected approximately $131.9 million in fiscal-year expenditures, including roughly $51.2 million for interim-housing nightly rentals and facility operations, $76.7 million for LAHSA service-provider costs, and $4.0 million for City departments.

Through March 31, 2026, the April 3 report said $56.8 million in actual expenditures had been processed from the Homelessness Emergency Account. The FY 2026-27 Annual Homelessness Funding Report, filed May 12, 2026, updated actual FY 2025-26 Inside Safe expenditures to $59,863,407 and total projected expenditures to $132,001,173. It also presented a more granular expenditure table showing expenses paid by category, including interim-housing operating costs, LAHSA service-provider categories, named provider costs for particular sites, and departmental expenses.

Evidence status: AVAILABLE / PARTIAL, depending on the level of detail sought.

This is real progress toward flow transparency. The records can move the public beyond a single program total and into categories and, in some instances, named providers. But a fully public end-to-end ledger would allow a user to select one expenditure and continue following it through contract, invoice, provider, service period, units of service, and verified outcome without manually assembling those links from separate reports.

6. WHAT THE INDEPENDENT AUDIT FOUND

The strongest evidence that fragmentation is not merely a matter of public inconvenience comes from the court-ordered Alvarez & Marsal assessment of three major City homelessness programs — the Roadmap Program–Freeway Agreement, the Alliance Program (arising from the Alliance Settlement), and Inside Safe — covering June 1, 2020 through June 30, 2024. A draft assessment was released in early March 2025; the final assessment was entered on the federal court docket on May 14, 2025, as Document 905.

The final assessment identified approximately $2.3 billion in appropriations, commitments, or spending associated with those programs during the lookback period. A&M stated that, because of the manner in which the City recorded homelessness-assistance expenditures, it was unable to completely quantify the amount spent for each program component using the data provided.

It further found that multiple funding sources and allocations across City departments resulted in fragmented accounting records and that the City and LAHSA did not initially provide all requested financial data, requiring repeated efforts to identify, trace, and reconcile the information produced. (A&M, Dkt. 905, pp. 4–5.)

That finding should be stated precisely.

It does not establish that $2.3 billion disappeared.
It does not establish that $2.3 billion was stolen.
It does not establish that no services were delivered.

It establishes something more specific: even an independent team with a court-ordered mandate encountered substantial difficulty reconstructing complete program-level financial flows from the records and systems made available to it.

That is an accountability problem in its own right.

Evidence status: INDEPENDENTLY DOCUMENTED SYSTEMIC FRAGMENTATION for the programs and period reviewed.

7. A COUNTERPOINT THAT MATTERS

Accountability research should actively look for evidence that complicates its thesis.

Los Angeles County's independent agreed-upon procedures review of the Measure H Special Revenue Fund for FY 2023-24 sampled LAHSA payroll and non-payroll/subcontractor expenditures and reported no exceptions in the procedures performed: sampled service levels were reported accurately and sampled funds were used for the specified Measure H purposes.

For FY 2024-25, the County's audited Measure H financial report also reconciled a timing difference between what the County had recorded as paid to LAHSA and what LAHSA had incurred. The County recorded $285,371,750 in LAHSA Measure H expenditures while LAHSA reported $311,224,457 incurred; the $25,852,707 difference was attributed to late fourth-quarter claims or billings submitted beyond the County's processing cutoff for reimbursements and payments.

These records matter because they demonstrate two things at once.

First, detailed financial verification can be performed when systems, scopes, and procedures are defined.

Second, apparently conflicting public numbers can have legitimate accounting explanations. A difference between "paid by the County" and "incurred by LAHSA" is not necessarily a discrepancy in the colloquial sense. It may be a timing difference that must be reconciled before conclusions are drawn.

BeaconStone should apply that same discipline to every number in this field.

8. WHERE THE PUBLIC TRAIL BREAKS

Based on the records reviewed for this paper, the current public trail can be summarized as follows:

Funding source → City budget authority: AVAILABLE in the FY 2025-26 budget reviewed.

City budget authority → department/program allocation: AVAILABLE in the consolidated City reports reviewed.

Allocation → City contract or administering entity: AVAILABLE for the major agreements specifically reviewed; broader contract coverage was not tested comprehensively.

Contract → actual payment: PARTIAL / FRAGMENTED in this review. Transaction systems exist, but this paper did not establish a complete payment crosswalk for every contract examined.

Administering entity → provider/subcontractor: PARTIAL / FRAGMENTED. Inside Safe reporting identifies some provider-level expenditures, but the same level of visibility was not established across all programs reviewed.

Provider payment → specific service delivered: PARTIAL; the public reports reviewed describe service categories, while transaction-to-invoice-to-deliverable linkage is not consistently integrated into the same public trail.

Specific expenditure → measurable outcome: NOT PUBLICLY ESTABLISHED in a single end-to-end record examined for this paper.

Outcome → independent verification: VARIES BY PROGRAM AND OVERSIGHT PROCESS; this review did not test every program's verification regime.

This is the core finding.

Los Angeles has pieces of a public homelessness ledger. It does not yet present those pieces as an unbroken public chain.

9. WHY THIS MATTERS

Financial transparency is not an end in itself. It is the prerequisite for answering harder questions fairly.

If a program produces excellent outcomes, a complete funding trail allows the public to identify what worked and potentially replicate it.

If a provider performs poorly, the trail allows policymakers to determine how much public money supported the work, under which contract, and whether corrective action followed.

If costs rise, the trail allows analysts to distinguish legitimate changes in service intensity from inefficiency.

If two agencies publish different numbers, the trail allows those differences to be reconciled rather than weaponized.

And if an Inspector General or auditor needs to investigate a problem, a unified trail allows oversight to begin with a reliable map rather than reconstructing the map from scratch.

The point is not to presume misconduct. The point is to make performance — good or bad — independently knowable.

10. WHAT A COMPLETE PUBLIC MONEY TRAIL SHOULD CONTAIN

Section 8 shows where the present public trail is complete and where it breaks. The seventeen fields below are what would be needed to convert that status map into AVAILABLE at every link.

A usable Los Angeles homelessness accountability record should allow the public to move through the following fields without losing the chain:

1. Fiscal year and funding source
2. Original appropriation and subsequent amendments
3. Department or administering entity
4. Program and project
5. Contract and amendment numbers
6. Prime recipient/provider
7. Subcontractor, where applicable
8. Amount obligated
9. Amount paid
10. Service period
11. Invoice or expenditure category
12. Units of service or deliverable
13. Reported output
14. Reported outcome
15. Verification or audit status

16. Corrective action, if any
17. Unresolved findings or missing documentation

Many of these data elements appear in the government records reviewed for this paper. The accountability challenge is linking them through common identifiers and publishing them in a form that allows the public and oversight bodies to follow the chain.

11. BEACONSTONE'S RECOMMENDATION

Los Angeles should build on the progress already made in consolidated homelessness funding reports and move toward a standing, public, transaction-to-outcome accountability ledger.

The objective should not be another annual PDF containing more totals. It should be a durable data architecture that connects existing records across institutional boundaries.

At minimum, that system should:

• distinguish budget authority, encumbrances, expenditures, payments, and reappropriations;
• preserve funding-source and fiscal-year information as money moves between entities;
• use common contract and provider identifiers across City, LAHSA, and participating systems;
• disclose prime-provider and subcontractor relationships where legally permitted;
• connect payments to the services or deliverables they purchased;
• connect those services to standardized performance measures;
• identify whether outcomes are self-reported, administratively verified, or independently audited;
• flag missing links rather than allowing them to disappear silently from the public record; and
• preserve downloadable underlying data so journalists, researchers, auditors, and residents can test the City's presentation for themselves.

This recommendation does not require Los Angeles to begin from zero. The City already publishes budgets, funding reports, contracts, checkbook data, and program information. The task is to connect them.

CONCLUSION

So where did Los Angeles's homelessness money actually go?

A substantial portion can be followed. Public records identify major funding sources, program allocations, contracts, financial activity, and—in increasingly detailed funding reports—some provider-level expenditures. That deserves acknowledgment.

But the answer becomes less complete as the question moves downstream: from what was budgeted, to what was actually paid, to who ultimately received it, to what service was delivered, to what measurable result followed.

That is the distinction between publishing financial records and providing financial accountability.

The evidence reviewed by BeaconStone does not support the sweeping claim that Los Angeles simply “lost” all or most of its homelessness money. It supports a more precise finding: Los Angeles’s homelessness financial records remain distributed across systems and institutions in ways that can make end-to-end tracing difficult, and an independent court-ordered assessment encountered the same structural problem when attempting to reconstruct major program expenditures.

The City’s newer consolidated reporting shows that improvement is possible. The next step is to connect the trail all the way through.

The test is straightforward: can a resident begin with a public dollar and follow it through source, recipient, purchase, reported result, and independent verification? Until that can be done through one coherent public chain, Los Angeles will have spending transparency in pieces — but not yet full flow transparency.

Follow the money. Test the claims. Make the evidence public.

SOURCES & FURTHER READING

BeaconStone Foundation believes public-policy arguments should be grounded in evidence readers can examine for themselves. The principal sources used in this publication include:

• City of Los Angeles, FY 2025-26 Budget Summary — Homeless Budget. Identifies $953,314,224 in adopted homeless-related funding and the component funding sources.
https://cao.lacity.gov/budget/summary/2025-26%20Budget%20Summary%20Pamphlet.FINAL.pdf

• City Administrative Officer / Chief Legislative Analyst, Quarterly Comprehensive Homelessness Spending Report, Council File 25-0277, March 25, 2026. Reconciles the FY 2024-25 adjusted homeless budget with expended/encumbered, reappropriated, reverted, and savings amounts.
https://cityclerk.lacity.org/onlinedocs/2025/25-0277_rpt_cao_3-25-26.pdf

• Los Angeles City Controller, Open Data. Provides Checkbook, All City Funds, budget, and homelessness-related financial datasets and dashboards.
https://controller.lacity.gov/data

• Los Angeles City Clerk, Contract C-145627 — Los Angeles Homeless Services Authority, FY 2024-25 City General Purpose agreement, $46,253,817.
https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccon.viewrecord&contractnum=C-145627

• Los Angeles City Clerk, Contract C-144656 — LAHSA Roadmap Interim Housing Interventions, $75,557,370.
https://cityclerk.lacity.org/lacityclerkconnect/index.cfm?fa=ccon.viewrecord&contractnum=C-144656

• City Administrative Officer, Fourth Homelessness Funding Report, FY 2025-26, Council File 23-1022-S29, April 3, 2026. Includes Inside Safe funding authority, projected expenditures, and actual expenditures processed through March 31, 2026.
https://cityclerk.lacity.org/onlinedocs/2023/23-1022-S29_rpt_cao_4-3-26.pdf

• City Administrative Officer, FY 2026-27 Annual Homelessness Funding Report, Council File 23-1022-S33. Includes detailed FY 2025-26 Inside Safe expenditure categories and provider-level entries.
https://cityclerk.lacity.org/onlinedocs/2023/23-1022-s33_rpt_cao_5-12-26.pdf

• Alvarez & Marsal Public Sector Services, Independent Assessment of City-Funded Homelessness Assistance Programs: Financial and Performance Assessment Report of the Roadmap Program – Freeway Agreement, Alliance Program, and Inside Safe Program, LA Alliance for Human Rights v. City of Los Angeles, Case No. 2:20-cv-02291-DOC-KES, Document 905, filed May 14, 2025.
https://www.cacd.uscourts.gov/sites/default/files/Dkt%20905%20FINAL%20AM%20REPORT.pdf

• County of Los Angeles Auditor-Controller, Homeless and Housing Measure H Special Revenue Fund, FY 2023-24 agreed-upon procedures report. Includes sampled LAHSA payroll and subcontractor expenditure procedures.
https://auditor.lacounty.gov/wp-content/uploads/2025/09/2024-12-27-Audit-of-the-Homeless-and-Housing-Measure-H-Special-Revenue-Fund-for-the-Year-Ended-June-30-2024.pdf

• County of Los Angeles Auditor-Controller, Homeless and Housing Measure H Special Revenue Fund, FY 2024-25. Reconciles County-paid and LAHSA-incurred Measure H expenditures and explains the fourth-quarter processing timing difference.
https://auditor.lacounty.gov/wp-content/uploads/2026/02/Final-Audit-Report-Measure-H-FY2025.pdf

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