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Chairman Burchett, Ranking Member Stansbury, and Members of the Subcommittee, thank you for your interest in our nation's homelessness crisis and in what is happening in Los Angeles. I have provided each Member with high-level data on funding, populations, and housing since 2005 for their own states, as a point of reference and for comparing costs against benefits.

Much of my work focuses on Los Angeles. No region has more unsheltered people. No other region receives more federal homelessness assistance.

I. THE SCALE OF THE FAILURE IN LOS ANGELES

Last year's annual Point-in-Time Count estimated nearly 70,000 people homeless in Los Angeles. Forty-four thousand were counted as unsheltered and 27,000 as chronically homeless.

Los Angeles received $220 million in Continuum of Care Program awards in 2024 and has received $2 billion in federal funds since 2005. Its awards have increased 213 percent over that period. Overall homelessness has decreased 20 percent since 2005, but unsheltered homelessness has increased 100 percent, chronic homelessness 210 percent, homelessness among those with serious mental illness 77 percent, and among those with serious substance use disorders 87 percent.

Homelessness has ranked as the number one issue facing the region for the last several election cycles, and the City and County have responded. The Los Angeles City Administrative Officer reports that nearly $4.4 billion has been budgeted by the city to address homelessness since 2022. Yet six homeless people die on the street in Los Angeles every day.

II. FINANCIAL AND PROGRAMMATIC BREAKDOWN AT LAHSA

The Los Angeles Homeless Services Authority is the region's Continuum of Care. Its record is one of waste, opacity, absent programmatic oversight, blame-shifting, and cozy arrangements for lucrative homelessness assistance awards.

- A 2024 Los Angeles County audit found that LAHSA had advanced $50.8 million to service providers without formal repayment agreements and had recovered only $2.5 million by July 2024. A court-ordered assessment found unreliable contract and bed records and concluded

that LAHSA's procedures did not adequately verify whether billed services had been delivered.
- A May 2026 county review found that LAHSA could not produce complete financial statements, had not properly recorded $145.1 million in county advances, and maintained duplicate entries that overstated cash by $47.2 million. According to statements at a public audit committee meeting, LAHSA had not completed an internal audit in several years.

III. WHAT THE SYSTEM FUNDS

- Lincoln Safe Sleep Village. Opened in South Los Angeles in 2022, the site is one of a handful in the state where unhoused people can legally set up tents and access meals, bathrooms, and other services. Public records show it was contracted to provide space for up to 88 residents last fiscal year. Two observers, one of them a LAHSA commissioner, made separate visits during that period and found the site operating at half capacity. LAHSA paid the operating nonprofit $2.3 million.
- Abundant Blessings. Between 2018 and 2025, tens of millions of dollars were routed to this organization through LAHSA and other nonprofits. Under its contracts, chief executive Alex Soofer was required to find shelter and provide three nutritious meals a day to vulnerable individuals, including people battling addiction and mental illness. Investigators instead found severe neglect and financial manipulation. Residents were fed instant ramen, canned beans, and bulk breakfast bars. Soofer fabricated invoices, created fake vendors, and claimed an overseeing board of directors that did not exist. He charged the state rent for properties he already secretly owned. Neighbors near the charity's main complex in South Los Angeles described it as an unmanaged nightmare where residents were left without actual support. Soofer has been arrested and indicted for fraud.
- Weingart Center property acquisition. The office of Mayor Karen Bass greenlit taxpayer funding of a deal signed by Kevin Murray, a former state senator and Weingart Center's chief executive, under which taxpayers paid $27 million to purchase a property from a business buying it almost simultaneously for $11 million, according to grant and purchase agreements obtained from the city through public records requests. The $27.3 million came from taxpayer grant funds authorized by city and state officials. Mayor Bass and Governor Newsom touted the purchase as a key tool in the fight against homelessness.
- LAHSA executive conflict of interest. The former chief executive of LAHSA, Va Lecia Adams Kellum, signed multiple contracts worth $2.1 million with Upward Bound House, the nonprofit where her husband serves as director of operations and compliance, despite having stated publicly that she was completely recused from such dealings.

IV. LOS ANGELES IS NOT AN OUTLIER

Nationally, funding has increased year after year. The recent budget for Continuum of Care Program awards exceeds $4 billion. Capacity is greater than ever. More permanent supportive housing exists than ever. There are more outreach workers, more navigation centers, more rental assistance, and more data collected and reported than at any point in the program's history. Yet homelessness continues to increase, reaching an all-time high in last year's count. Like Los Angeles, some Continuums of Care report yearly drops in certain categories but viewed longitudinally the federal homelessness assistance program has failed to end or even substantially reduce the number of people suffering on the streets.

Some regions and states have shown decreases according to the Point-in-Time Count. But because the West Coast hosts more than half of all homeless people in the country, reductions in areas with smaller homeless populations are dwarfed by the poor performance, waste, and lack of accountability in the West.

From my perspective, the same common failures recur nationally:

- Failure to account for the true scale of mental illness and addiction, which results in homeless people refusing offers of housing and services. Housing is a poor substitute for treatment, and the Continuum of Care Program has minimized the necessity of pairing treatment with appropriate settings for the very sick people who inhabit encampments, parks, alleyways, and sidewalks.
- Too great a reliance on expensive affordable housing subsidies, and the inability of that approach to scale. The policy of the federal government has been to house its way out of homelessness, and it has not worked.
- A federal program that fails to provide adequate accountability, fiscal oversight, and controls; that offers few reliable metrics and outcomes; that is extremely complex and costly to administer; and that has created a network of ideologically driven rather than data-oriented recipients of billions in annual federal funds.
- The failure of local governments to use enforcement measures to address lawlessness and civil disorder, creating areas of crime, exploitation, filth, environmental harm, and public health hazards.
- Homeless funding that grows organizations instead of decreasing the number of homeless people.
- Homeless assistance assets going to non-citizens, and immigration policies that have contributed to the increase in homelessness and particularly to at-capacity homeless shelters.

V. HOW CALIFORNIA AND LOS ANGELES GOT HERE

California took the 2009 shift in federal homelessness assistance policy and tripled down on it. The state passed a law requiring every state dollar of homeless funding be dedicated to Housing First, the approach that provides subsidized housing to people with no ability and no requirement to improve their station or to participate in any rehabilitative services.

In a second instance of legislative malpractice, California voters passed Proposition 47 in 2014 in an attempt to reduce incarceration, reclassifying a host of felonies as misdemeanors. The result was increased homelessness, increased drug use, and a collapse in judicial referrals to treatment.

Felony drug arrests fell from roughly 200,000 in 2013 to under 100,000 by 2015 across the state. This was decriminalization at scale, in the nation's largest state. The Public Policy Institute of California found that Proposition 47 drove unsheltered homelessness up roughly 10 percent, resulting in about 7,000 additional people sleeping outside, which is roughly one-fifth of all growth in California's unsheltered population between 2015 and 2019.[1] Serious drug use rose 7 to 8 percent, measured across overdose deaths, hospitalizations, and emergency department visits. Drug treatment admissions fell by about 20 percent, driven almost entirely by the collapse of a single pipeline: referrals from courts, jails, probation, and parole.

Between 2008 and 2017, California's incarcerated population fell by about 50,000 and annual treatment admissions from criminal justice referrals fell by about 45,000, roughly 90 percent of the state's entire decline in treatment admissions. In the two years after Proposition 47, criminal justice referrals to treatment dropped 14 percent in California while falling only 2 percent nationally.

Decriminalization did not free people from a punitive system. It severed the single most reliable connection between addicted Californians and treatment beds. Homeless addicts seeking escape now have no dependable lifeline to recovery in this state.

VI. THE DOWNSTREAM COSTS

- Skid Row containment. Housing First and harm reduction have produced a fifty-four-square-block area in downtown Los Angeles where fentanyl, methamphetamine, cocaine, and other drugs are widely available and where both nonviolent and violent crime rates are high, including a murder rate seventeen times that of the rest of Los Angeles.
- Human exploitation. In Los Angeles, many homeless encampments and tents come at a cost. Gangs and cartels control vast swaths of Los Angeles and charge homeless people rent by holding and selling drugs, prostitution, hiding trafficked women, stealing and fencing items, and a variety of other crimes.
- Animal cruelty. Animals, particularly dogs, are bred within encampments in Skid Row, traded for drugs, and die of neglect and malnutrition. There are also allegations of dogs being used to test whether drugs are toxic.
- Public safety resources. About one-third of fires in Los Angeles are homeless-related, including arson, encampment fires that get out of control, and the theft of electricity from streetlights, utility boxes, and neighboring properties, which creates conditions for fires and

[1] https://www.ppic.org/publication/homelessness-and-drug-use-in-california/

explosions. About 15 percent of police calls are homeless-related. Businesses cannot keep their properties insured against fire and property damage.

- Inconsistent or absent enforcement policy, and political incompetence marked by broken promises with little electoral accountability.

VII. THE LA ALLIANCE LITIGATION

In light of the humanitarian crisis facilitated by the City and County of Los Angeles and the waste and mismanagement at LAHSA, a group of citizens, residents, businesses, and homeless people sued the City and County in 2020. The LA Alliance for Human Rights, which I am proud to serve as executive director, filed a federal lawsuit claiming that the City and County had violated the rights of the citizens of Los Angeles, presided over a state-created danger, and harmed the very people they intended to serve. Judge David O. Carter, presiding over the case, has been left wanting in his desire to see more money reach the street. Instead, the nonprofits and their leaders have enriched themselves.

VIII. THE SYSTEM PAYS FOR INPUTS, NOT OUTCOMES

Things are bad in Los Angeles, and I support HUD's action suspending federal awards to an organization that has disqualified itself from administering federal funds. But the problem is not isolated to Los Angeles.

A recent Cicero Institute report reviewed the Form 990 filings of 1,458 nonprofit Continuum of Care providers.[2] Among providers reporting financials in both 2013 and 2024, total compensation grew 117.8 percent and total revenue grew 123.9 percent, dramatically outpacing the 34.7 percent cumulative inflation rate and the 30.7 percent growth in the national Point-in-Time count. Eighty-four percent of providers grew compensation faster than inflation, 54 percent more than doubled it, and 29 percent more than tripled it. Provider compensation grew roughly 2.7 times faster than the broader nonprofit sector benchmark on an annualized basis.

The problem is not how money flows into the Continuum of Care system, as the National Alliance to End Homelessness's report suggests.[3] The problem is that the system pays for inputs, meaning beds, salaries, and services delivered, rather than for outcomes, meaning people exiting homelessness into unsubsidized housing, employment, and treatment success. Compensation has tracked revenue at a stable 36 to 39 percent of total income across the period. The entire industry has grown together while measured outcomes have not moved.

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[2] https://ciceroinstitute.org/research/the-case-for-pay-for-value-in-federal-homelessness-funding/

[3] National Alliance to End Homelessness, "Ending Homelessness Through Policy," accessed May 27, 2026, https://endhomelessness.org/about-us/policy/.

Underlying all of this is a structural limit: the provision of permanent supportive housing and affordable housing cannot scale sufficiently to reduce homelessness, particularly in places with high rents and housing costs.

IX. RECOMMENDATIONS FOR REFORM OF PUBLIC LAW 111-22

The Continuum of Care Program requires significant reform in order to serve communities seeking to reduce homelessness.

First, the program is overly complex and burdensome. It rewards processes instead of outcomes and is built on the fiction that providing permanent supportive housing reduces homelessness. It should be simplified so that:

- Outcomes and priorities are clear and attainable.
- Programs are measured and funded on reducing homelessness, not on the provision of housing.
- The federal government gets out of the business of telling communities in excruciating detail how to end homelessness. Give communities the flexibility to invest in recovery housing, group homes, rental assistance, treatment settings, communal living, and enforcement.
- It does not take an expensive consultant to respond to a notice of funding opportunity.

Second, the program provides federal taxpayer dollars to communities with little if any accountability. It should be reformed to:

- Stop empowering nonprofits over which state and local governments have no authority. Use states and their agencies, which are accountable to voters, to administer federal homelessness assistance.
- Add monitoring and accountability measures directing HUD to ensure that corruption, waste, and fraud do not occur. HUD audits and findings of mismanagement should not take a decade to be acted on.
- Require the use of data that is transparent and usable by decision makers. Governors, county executives, mayors, and city council members should know in real time whether interventions produce their intended effect. Continuums of Care should not be the arbiter of what works in their communities. Elected officials should.

Third, definitions and objectives should be clear and understood by all. The statute should be reformed to:

- Distinguish between those who can benefit from economic assistance such as subsidized housing and those better suited to behavioral health treatment for addiction and untreated mental illness. The economically challenged should remain within the Continuum of Care

Program. Those with high acuity should be referred to state behavioral health and treatment programs, because they fall outside the purview of housing agencies.

- Make clear that homelessness ends when people make progress toward self-sufficiency, not because they are named on a lease. When advocacy groups say they know what works to end homelessness, they rely on a definitional gimmick in the HEARTH Act that treats anyone under a federally subsidized lease as no longer homeless. Overcoming homelessness should account for increases in earned income, achieved sobriety, stability in mental illness, elimination of criminal behavior, family reunification, and enrollment in and completion of rehabilitative programs.
- Move away from the biased standard of "evidence-based." 24 CFR Part 578 attempts to limit the Secretary to approaches that are evidence-based. That standard is a poor one, because the value of the label depends entirely on what was studied. It takes a narrow finding, such as housing retention, and applies it to a broad policy architecture, reducing homelessness. As applied, it also excludes HUD's own Point-in-Time and Housing Inventory Count data from reform efforts.

X. CONCLUSION

Los Angeles and its utilization of federal homeless assistance policy is not an outlier. It is the leading edge of a system that lacks accountability, effective monitoring, and prioritizes inputs rather than outcomes. The system that has been put in place by Congress desperately needs reform. The federal program must be simplified, must increase accountability, and must connect funding with performance.

The federal program appears to have exacerbated the humanitarian crisis of homelessness. HUD has been working to reform and re-prioritize the CoC Program. Yet, those who gain the most, NGOs and advocacy groups, have sued the Administration at every turn to maintain the status quo. Therefore, Congress must act by reforming the statutory authority for the Continuum of Care Program.

Thank you for the opportunity to submit this statement. This concludes my testimony. I would be pleased to answer any questions you may have.