

The business of suffering: Los Angeles politicians aim to turn homelessness into a source of profits

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On Tuesday, the Los Angeles City Council once again voted unanimously to explore withdrawing from the embattled Los Angeles Homeless Services Authority (LAHSA), just one week after the Los Angeles County Board of Supervisors approved sweeping budget cuts that stripped the agency of nearly \$350 million in annual funding.

This followed a March 25 City Council vote—also unanimous—to begin dismantling LAHSA. That same day, the County Board of Supervisors passed a budget slashing tens of millions from homelessness services.

Along with LAHSA's dismantlement, one of the most devastating consequences of the County's decision is the gutting of LA:RISE, the region's flagship homeless workforce development program, which saw its funding slashed by a staggering 78 percent. The redirected funds will instead flow to a newly formed county department—raising serious concerns about increased privatization and the potential for profiteering in the delivery of homeless services.

LA City Council President Marqueece Harris-Dawson, Democrat, announced before the vote Tuesday: "As far as I am concerned, LAHSA is effectively ended."

Following in wake of the election of President Donald Trump, who is demanding a far-reaching crackdown on the homeless nationwide, the city council's move is part of a violent realignment of the political superstructure to correspond with the real social relations that exist in the US. That is, away from public services for the unhoused, and toward lucrative contracts for private interests. The very politicians crying crocodile tears for the homeless are the ones wielding the knife. These are the Democrats and the pseudo-left opportunists who seek to not be outdone by Trump's fascist assaults on workers.

The budget cuts will shrink LA:RISE from serving 1,200 clients to just 600, slashing services that connect the unhoused with paid work, training, and job placement through 40 organizations like Homeboy Industries, Goodwill, and the Downtown Women's Center?. These are not abstract services—they are lifelines. "This program is like the bridge from coming out of homelessness," former LA:RISE participant Alexandria Piñeda, who now works full time and

lives more stably in Compton, explained to LAist?.

But, instead of developing these resources to the full potential, that bridge has been burned by the very institutions claiming to fix homelessness.

Amy Turk of the Downtown Women's Center put it bluntly: "In the grand sense of the county's budget, it's not that much, but the outcomes that we get are significant. To hobble that is really disappointing."?

Democratic County Supervisor Lindsey P. Horvath—a former entertainment advertising executive—has emerged as the frontwoman for this attack. With roots in marketing and a career spent crafting messages for the entertainment industry, Horvath's real expertise lies not in public service but in selling illusion. Her background makes her the perfect face for a campaign that disguises the commodification of human suffering as compassionate governance.

"We have studied the homeless service system to death," she said during the vote to shift funding from LAHSA. "To engender the public's trust, we must take action for a more centralized, effective, data-driven strategy to reduce homelessness."?

Translation: cut public services, consolidate power and give contracts to private vendors.

Her co-author on the motion, Republican Supervisor Kathryn Barger, has likewise been celebrated by pro-business groups. In 2020, the Building Owners and Managers Association of Greater Los Angeles (BOMA/GLA) named her "Elected Official of the Year" for championing "economic growth" in the interest of corporations, not workers. This isn't the humanitarian operation being portrayed; it's a takeover of public welfare by the private sector.

While these officials claim LAHSA failed due to lack of efficiency, the real reason homelessness services never succeeded was because, in a socioeconomic context dominated by profit, they were starved of the necessary resources from the beginning. This move is not a correction of bad administration. It's a political seizure aimed at turning social crisis into business opportunity.

Measure A, passed by voters with promises of expanding

funding for combatting homelessness and expanding affordable housing, is now being weaponized to siphon hundreds of millions away from LAHSA and into the coffers of a new Homeless Services Department that is designed explicitly with the ability to contract out to private firms?.

It is no coincidence this department was created on the same day Measure A took effect, nor that it will begin awarding contracts by 2026. In other words, the people voted for help—and the County turned it into a gold mine for consulting and equity firms.

This follows the pattern already set in cities like New York, where outsourcing homelessness services has enriched private contractors while failing to deliver lasting solutions. These changes reflect a conscious class strategy to commodify and profit from poverty while shifting the burden of crisis onto the working class.

Among the most grotesque elements of this sordid saga is the complicity of so-called progressive figures like Councilmembers Nithya Raman and Ysabel Jurado, both affiliated with the Democratic Socialists of America. On March 25, as well as last Tuesday, both voted with the council to lay the legislative groundwork for dismantling LAHSA.

Then, as if to cleanse their hands of blood, they issued mealy-mouthed warnings.

“I fear we are moving money from one bureaucracy to another,” the pro-Zionist Raman said, trying to hedge after the fact?. It’s not surprising: Raman sits on the board of the Los Angeles County Affordable Housing Solutions Agency (LACAHS) along with Los Angeles Mayor Karen Bass.

Backed by private start-up funding from the Conrad N. Hilton Foundation and the Chan Zuckerberg Initiative, LACAHS was created by state legislation and will receive 36 percent of Measure A funds starting in June. It is billed as a solution to homelessness, allegedly tasked with making housing more affordable and expanding options—though its true impact remains to be seen.

LACAHS touts its “single CEO” structure and claims to be “accountable enough to cut through red tape,” as if streamlining bureaucracy is an end in itself. Its mandate isn’t to improve the lives of the unhoused, but to optimize service delivery—accountability and efficiency, no more and no less, just like any corporation.

Jurado, meanwhile, warned of “life or death” consequences for unhoused residents in her district?.

If the consequences are so dire, why did she vote in favor of the changes that made them inevitable?

This is the performative politics of the opportunist pseudo-left, where “progressive” branding covers for pro-corporate policy execution. It’s political theater with deadly stakes in the most literal sense.

These decisions come at a time when the conditions of the working class are set to deteriorate further under the weight of Trump’s new tariff regime—regressive taxes that will raise the

cost of living on everything from cars to food to fuel. This will inevitably drive more people into homelessness, even as the infrastructure to support them is being cannibalized.

Even the modest outcomes of the LA:RISE program, such as job training, steady income and pathways to self-sufficiency, were deemed incompatible with the interests of the financial vultures that are circling the skies of large US cities. Nearly half of its participants moved into unsubsidized employment. But that’s been deemed expendable in favor of a bureaucratic reshuffle and private profit.

The dismantling of LAHSA under the pretense of reform is a conscious effort comparable to a corporate restructuring by a private equity firm. The agency’s failure wasn’t due to some intrinsic administrative rot, but rather because it was structurally constrained—chronically underfunded, overburdened, and subjected to impossible expectations—by the social and economic system, capitalism, which is the ultimate source of homelessness.

From career marketers like Horvath to DSA darlings like Raman and Jurado, the message is clear: Los Angeles’ political class—regardless of party lines and ideological branding—is fully aligned with capital rather than the needs of the unhoused.

They speak of transparency and compassion, but their actions expose a naked agenda: to turn human misery into profits, one contract at a time. This is not just a policy failure. It’s a political crime. And city after city in the US will pay for it—in lives lost, dignity trampled, and a deepening of a social catastrophe that privatization will only make worse.

The homeless were never the problem. The problem is a capitalist ruling class that sees them not as people in need of help—but as a business opportunity to exploit.



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