

Los Angeles County's “accountability” drive masks decades of Democratic complicity in homelessness

Marc Wells**27 January 2026**

Los Angeles County officials announced last week that they have effectively dismantled the joint city-county Los Angeles Homeless Services Authority (LAHSA) and transferred much of its authority and funding to a new Department of Homeless Services and Housing under direct county control.

The new department, officially launched January 1, 2026, consolidates homelessness-related programs that were previously spread across multiple county departments and LAHSA. County leaders claim the restructuring will “increase accountability and transparency,” improve coordination with cities and deliver better outcomes for people experiencing homelessness.

Supervisor Kathryn Barger summed up the official justification bluntly. Under the old arrangement, she said, “LAHSA blames the county, the county blames the city, the city blames LAHSA.” Now, accountability will “end with the Board of Supervisors.” Director Sarah Mahin, appointed to lead the new department, has pledged to focus resources on “the most vulnerable people” and on programs that “we know work.”

This language is familiar. For years, Democratic officials have responded to the explosion of homelessness with promises of reform, oversight and efficiency. Audits of LAHSA documented weak financial controls, fragmented oversight and poor data quality. These findings are now being used to justify a sweeping bureaucratic overhaul.

But the creation of a new department does nothing to address the social causes of homelessness. It does not create affordable housing, raise wages, expand social programs or reverse decades of austerity. It reshuffles administrative authority while leaving intact the

capitalist system that produces homelessness.

Homelessness is the product of a brutal housing market, stagnant and declining real wages, precarious work, impossible medical costs and the systematic defunding of social programs. These conditions are the outcome of policies pursued for decades by Democratic and Republican administrations alike in the interests of property owners, developers, healthcare corporations and financial institutions.

The hollowness of the county’s claims is underscored by the new department’s draft budget. Even as officials promise improved care and coordination, the budget includes cuts of more than 25 percent to existing homeless services. These reductions are justified by expiring state and federal funding, rising costs and lower-than-expected sales tax revenue from Measure A, even as overall county revenues have grown.

In other words, the county is centralizing control while cutting services.

The restructuring comes amid growing public anger over homelessness that Democratic officials are seeking to deflect away from the capitalist system they defend. By framing the crisis as one of mismanagement rather than social crisis, they prescribe technocratic fixes while presiding over the dismantling of affordable housing, the erosion of rent protections and the treatment of housing as a profit-making commodity rather than a social right.

Central to this strategy is privatization. In 2025, the Los Angeles City Council voted unanimously, including the four members of the Democratic Socialists of America, to begin dismantling LAHSA and diverting funds into new agencies and private contractors.

As the *World Socialist Web Site* warned at the time, this created “lucrative profit opportunities for private companies with little accountability or oversight.”

Under outsourcing, social services for the poor are funneled through a maze of nonprofit intermediaries and corporate contractors. Public money flows freely, but democratic control and transparency disappear, producing corruption rather than efficiency.

The case of Abundant Blessings and its director, Alexander Soofer, starkly exposes this reality. Soofer has been charged with wire fraud and related state crimes for allegedly stealing more than \$23 million in public funds intended to house and feed unhoused people. Prosecutors allege that at least \$10 million was diverted to finance a luxury lifestyle, including a \$7 million home in Westwood, designer clothing and private vacations, while residents were reportedly fed cheap instant noodles.

Last April, the City of Los Angeles also paid millions to Lincoln Safe Sleep Village for shelter beds that did not exist, exposing systemic fraud and lack of oversight in homelessness contracting.

These scandals are not aberrations, but the predictable outcome of outsourcing essential social services. Billions have flowed through nonprofit and private contractors with little serious monitoring. State audits have repeatedly shown that California spent vast sums on homelessness programs without tracking outcomes or properly accounting for the money.

More broadly, a bipartisan consensus prevails that there is always limitless funding for war, repression and policing, but none for social programs. This was underscored by the recent congressional minibus bill, passed with Democratic and Republican support, which allocates hundreds of billions for military expansion and the further militarization of immigration enforcement, while social spending is slashed or left to wither.

The state is increasingly relying on repression to manage the social consequences of inequality. The killing of nurse Alex Petti in Minneapolis stands as a stark warning. It demonstrates how the state responds to social dissent and opposition not by addressing legitimate grievances, but by deploying violence and repression.

The real scandal is not simply the existence of individual fraudsters, but the political order that

subordinates human need to profit. While unhoused people sleep on sidewalks, taxpayer dollars are siphoned into luxury consumption. Officials respond with ritual expressions of concern and promises of oversight, while leaving the underlying system untouched.

California Governor Gavin Newsom’s administration has taken this logic further with a new framework for homelessness funding. To access billions in state dollars, cities and counties must now meet a series of bureaucratic requirements: updated housing plans, “pro-housing” designations, encampment policies aligned with state guidance, local matching funds and evidence of “progress.”

Presented as accountability, these requirements function as gatekeeping mechanisms. They delay urgently needed housing and services while homelessness continues to grow. Responsibility is shifted onto local compliance, while the structural drivers of the crisis are ignored.

Political responsibility lies squarely with Governor Newsom and the Democratic leadership in Sacramento. By treating homelessness as a managerial problem rather than a product of a profit-driven housing system, they shield landlords and developers from any accountability, worsening the crisis.

Homelessness exposes the complete bankruptcy of capitalist politics. Without massive public investment in social housing, strong tenant protections and the mobilization of the working class to assert housing as a social right, the crisis will continue to deepen. The Democrats’ “accountability” framework is a political ploy to allow homelessness to spread while protecting property and profit. Only a socialist program offers a way forward from the social regression capitalism is producing.



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