

Los Angeles homeless authority guts workforce, destroying 284 jobs and enabling private profiteers

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On April 30, the Los Angeles Homeless Services Authority (LAHSA), a joint agency funded by both the County and City of Los Angeles, issued layoff notices to 284 employees, with their final day of employment set for June 30, the end of the fiscal year. Another 130 now-vacant positions are being eliminated, bringing the total number of lost jobs to 414, including 216 represented by Service Employees International Union (SEIU) Local 721.

The union, which signed the contract establishing the 60-day layoff notice procedure now being used against its own members, offered no opposition. President David Green pledged only to “support” workers “throughout this transition,” surrendering 216 jobs without a fight.

The layoffs follow an April 2025 vote by the Democratic Party-controlled County Board of Supervisors—unanimous with one abstention—to withdraw more than \$300 million in annual funding from LAHSA for the new County Department of Homeless Services and Housing, launched on January 1, 2026, with an \$843 million budget funded largely by Measure A, a half-cent sales tax projected to generate roughly \$1 billion per year.

LAHSA interim “CEO” Gita O’Neill—a typical governmental bureaucrat—called the mass firings a “necessary evolution,” claiming the new County agency would be “narrowing our focus to macro-level governance, data management, and securing federal funding.” She described the diminished role as LAHSA “stepping into our true role as a strategic architect of the region’s homelessness response system.”

Talking out of both sides of her mouth, O’Neill had to acknowledge that LAHSA staff being eliminated had

been “the driving force behind the historic reductions in street homelessness” by housing nearly 80,000 people over three years.

The discarded workers see it differently. For example, Hashim Afanan, after receiving his layoff notice, said the cut was painful because his work was important and his absence would be “detrimental to the homeless response system.”

County Supervisor Lindsey Horvath—a Democrat and former entertainment advertising executive—rationalized that “audit after audit has made clear why this action is necessary.” Republican Supervisor Kathryn Barger, named “Elected Official of the Year” in 2020 by the Building Owners and Managers Association of Greater Los Angeles, cynically mused that under the old system “LAHSA blames the County, the County blames the City of Los Angeles, and the City blames LAHSA.”

In December, LAHSA employees wrote open letters to both the Board of Supervisors and the City Council demanding that funding continue, and that the entities absorb affected staff. Neither body has made binding commitments.

Democrat Mayor Karen Bass, who is facing a tough re-election campaign, proposed a budget for the 2026–27 fiscal year that allocates \$788 million for homelessness—a 17.3 percent decrease. Federal and state funding streams are expiring, and Measure A revenue has come in below projections.

The County’s draft budget includes cuts of more than 25 percent to existing homeless services: closing 20 of 30 temporary housing sites, halving county street outreach staff, eliminating housing navigation programs, cutting prevention funding and removing

\$12 million for legal and job services.

Perhaps most coldhearted, the proposed budget eliminates funding for “Safe Parking,” a program to provide people forced to live in their vehicles with secure locations, access to hygiene facilities and connections to housing services. According to the 2024 Greater Los Angeles Homeless Count over 23,000 people live in their vehicles. LAHSA describes Safe Parking as “a low cost and high impact program” and yet it is being cut anyway.

The dismal track record of the private contractors and opportunist nonprofits maneuvering to absorb LAHSA’s functions is well documented.

For example, in 2025, court-appointed monitors discovered that the Lincoln Safe Sleep Village, operated by the nonprofit Urban Alchemy under a multimillion-dollar LAHSA contract, had reported 88 beds to a federal court when only 44 actually existed. U.S. District Judge David O. Carter called the discrepancy “obvious fraud.”

Criminal charges are being brought against Abundant Blessings and its director Alexander Soofer based on an alleged theft of more than \$23 million in public funds meant to house and feed unhoused people. Prosecutors claim that at least \$10 million was used to purchase designer clothes and a Westwood home for Soofer while residents of his temporary housing programs were fed cheap instant noodles.

Mayor Bass’s “Inside Safe” program costs approximately \$6,900 per participant per month. The money flows through hotels, service providers, consultants, and security firms without creating permanent housing. A ProPublica investigation found that hotels continued to receive Inside Safe funding despite numerous health and safety violations.

The City has spent nearly \$6 million on private law firms to resist independent oversight of these programs.

The City and the County are not replacing mismanagement with accountability. They are consolidating control over hundreds of millions of dollars channeled through new mechanisms that will be even less transparent and more favorable to the private interests that have already grown rich from this crisis. Every audit, every scandal, every exposed fraud has been answered with institutional reshuffling that preserves the flow of public money into private hands.

The role of the capitalist Democratic Party in this

process deserves particular scrutiny. Every member of the Los Angeles City Council—including DSA-affiliated members Nithya Raman and Ysabel Jurado—voted unanimously in March and April 2025 to begin dismantling LAHSA and redirecting its funds.

Having cast their votes, they then offered theatrical protests. Raman, who is running against Bass for mayor, warned of “moving money from one bureaucracy to another.” Jurado spoke of “life or death” consequences. Their votes are an act of complicity, not opposition.

These pseudo-left figures provide a veneer of concern while endorsing every substantive attack on the homeless, and thus the working class as a whole, to direct discontent into the existing political framework and to blunt the development of independent challenges.

Homelessness in Los Angeles is not the product of bad administration, but of an economic system based on extreme social inequality, in which housing is priced beyond the reach of many, wages are stagnant, healthcare is inaccessible and social programs are gutted to fund tax cuts for billionaires at home and imperialist wars overseas. Only the independent mobilization of the working class, fighting for housing as a social right in opposition to capitalism, offers a way forward.



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