

Senate Committee on Transportation and Housing

Chronic State of Homelessness: Identifying Proven Solutions to End and Prevent Homelessness in California

Thursday, October 22, 2015

9 a.m. to 12 noon

Board of Public Works Session Room

Los Angeles City Hall, Room 250

200 North Spring Street

Los Angeles

Background Paper

Purpose of the Hearing

The Senate Transportation and Housing Committee seeks to accomplish the following goals: 1) raise awareness of homelessness; 2) provide education and debunk stigmas about how people become and remain homeless; 3) discuss the economic costs of allowing homelessness to persist; and 4) highlight proven models and solutions for ending and preventing homelessness. Committee members will also seek to better understand the state's role in preventing and ending homelessness and to identify means of empowering non-profits and local jurisdictions to tackle the issue.

This background paper will provide an overview of homelessness, a history of modern homelessness, and a snapshot of how many people experience homelessness by subpopulation in California; identify the causes of homelessness; and list questions the committee members may wish to present to the experts and panelists at the hearing.

Overview

Over the last few years, the state of California has begun to see a decrease in the overall number of people experiencing homelessness. Despite this great news, however, California has a long road ahead before it can declare victory. With significant cuts in federal spending on programs that affect the poor and the homeless, the recent loss of redevelopment dollars in the state, and the lack of a permanent source of funding for housing, too many people are still living on the streets.

California also faces a housing crisis. Low-income housing units, if available, are often in serious states of disrepair, and working families are unable to make rent payments on their “affordable” housing rents. Additionally, California requires the third-highest wage in the country to afford housing, behind Hawaii and Washington, D.C. In California, the Fair Market Rent for a two-bedroom apartment is \$1,386. To afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn \$4,619 monthly or \$55,433 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of \$26.65 per hour. This means that a person earning minimum wage must work an average of 3 jobs to pay the rent for a 2-bedroom unit.

Furthermore, California’s 2.2 million extremely low-income (ELI) and very-low income (VLI) renter households are competing for only 664,000 affordable rental homes. This leaves more than 1.54 million of California’s lowest income households without access to affordable housing in a state with 21 of the 30 most expensive rental housing markets in the country. VLI households are those that earn less than 50% of the area median income, while ELI households earn less than 30%. Moreover, there isn’t a single county in California that has a sufficient number of affordable rental homes for these households

Californians have become frustrated with the “homelessness problem” and have demanded that their governments — local, state, and federal — take dramatic action to alleviate it. Numerous cities, in response to the increase of activity on the streets, have enacted ordinances that individually target and punish homeless individuals for performing “life-sustaining activities.” Some of these activities include: sleeping/camping, eating, sitting, and begging in the streets. A recent study from the University of California, Berkeley found that of a sample of 58 California cities, 59% had enacted anti-homeless laws since 1990. Such criminalization of the homeless restricts and re-directs local budgets to the justice system rather than to homeless services designed to combat and prevent homelessness. In addition, many laws have been struck down as constitutional violations, resulting in wasted money that could be used for more positive solutions.

In 2010, the U.S. Interagency Council on Homelessness released its Strategic Plan to Prevent and End Homelessness, which set a target of ending chronic and veteran homelessness by 2015 and youth homelessness by 2020. The plan recognizes that access to housing is one of the major contributors to homelessness. Despite this bold move, however, Congress has failed to provide sufficient funding to ensure its objectives are met.

Not all the news is grim, however. Many local jurisdictions in the United States and in California have invested in permanent supportive housing, created work programs, and established systems of collaboration among homeless service providers to ensure the homeless have access to adequate, safe, and affordable housing. Through positive and sustainable investments such as these, families are more likely to achieve economic stability, obtain and maintain stable employment, receive education, and lead healthier and more productive lives. In addition, these measures prove to be less costly than using the criminal justice system.

History of Modern Homelessness

Modern housing and homelessness policy can be traced back to the 1970s and '80s as national social and economic policies towards housing began to change. At that time, public housing, created to provide safe and affordable rental housing for low-income families, the elderly, and people with disabilities under the National Housing Acts of 1934 and 1937, began to deteriorate due to poor maintenance. In 1974, the Housing Community and Development Act ended most new construction of public housing and the Housing Choice Voucher Program (Section 8) was created in its place. This new program allowed eligible tenants to pay only a portion of their rent (based on their income) and shifted funds from public housing authorities to the private sector. The goal was to eliminate concentrations of low-income people in housing developments.

In 1981, the Reagan administration dismantled federal affordable housing funding. From 1978 to 1983, the funding for low- to moderate-income housing decreased by 77%. Social policies contributing to the rise of homelessness included the deinstitutionalization of the mentally ill during the mid-1980s. Additionally, in the 1980s, the proportion of the eligible poor who received federal housing subsidies declined. In 1970, there were 300,000 more low-cost rental units (6.5 million) than low-income renter households (6.2 million). By 1985, however, the number of low-cost units had fallen to 5.6 million, and the number of low-income renter households had grown to 8.9 million, a disparity of 3.3 million units.

Economic and social policies continue to contribute to homelessness and are particularly relevant as Congress contemplates this year's federal budget. The federal Budget Control Act of 2011 initiated automatic federal spending cuts of \$85 billion (also referred to as "sequestration"). These cuts, which went into effect in March 2013, adversely impacted homeless services and affordable housing programs. For example, the Center on Budget and Policy Priorities estimated that between 125,000 and 185,000 low-income families would lose housing assistance nationally by the end of 2014 as a result. Additionally, as of July 2014, sequestration had cost California's low-income families nearly 15,000 housing vouchers.

Due to the social and economic trends noted above, combined with California's lack of affordable rental housing, homeless people face more challenges finding housing in California than in other states. This includes not only rental housing, but also emergency or transitional housing. According to the 2014 Annual Homeless Assessment Report to Congress released by the U.S. Department of Housing and Urban Development, while most homeless people across the country lived in emergency shelters or transitional housing programs, 62.7% of homeless

people in California were unsheltered. California's high housing costs and shortage of shelters leave many homeless people with no choice but to rest and sleep in public.

According to a 2015 study by the California Housing Partnership Corporation, California has a shortfall of 1.5 million affordable homes and 13 of the 14 least affordable metropolitan areas in the country. Not a single county in the state has an adequate supply of affordable homes, and while median incomes have dropped by 8% since 2000, rental prices have soared by 21%.

The disparity between supply and demand of affordable housing has only been exacerbated by the recent economic crisis and significant decreases in funding. As a result, subpopulations amongst the homeless are changing. It is no longer accurate to assume that the majority of homeless individuals are those with mental health issues; now, more working families and individuals find themselves on the street or living in shelters or transitional housing arrangements such as living with friends and family.

Number of Homeless Persons in California

According to an annual report by the U.S. Department of Housing and Urban Development in 2014, California had 113,952 homeless people, which accounted for 20% of the nation's homeless population. California had the largest number of people in families with chronic patterns of homelessness at 23,187. California also reported the largest numbers of unaccompanied homeless children and youth, at 13,709 people or 30% of the national total. Additionally, California has the second highest rate of unsheltered homeless children at 78.4% (10,750 were unsheltered), which accounts for 12% of the state's homeless family population. Twenty-four percent of the nation's homeless veteran population can be found in California; of the 12,096 homeless veterans in California, 63.2% or 7,639 were unsheltered.

A more detailed fact sheet containing the numbers of homeless subpopulations can be found at the end of this background paper.

Causes of Homelessness

Homelessness is a complicated issue as it affects each person differently. Research has also shown that homeless subpopulations benefit from services and support in different ways. One thing is clear, however: a lack of affordable housing is a common thread among persons experiencing homelessness.

The U.S. Conference of Mayors, made up of the leaders of 29 cities, conducts an annual report on hunger and homelessness. In 2014, city officials identified lack of affordable housing as the leading cause of homelessness among families with children, followed by unemployment, poverty, and low-paying jobs. Lack of affordable housing also topped the list of causes of homelessness among unaccompanied individuals, followed by unemployment, poverty, mental illness and the lack of needed services, and substance abuse and the lack of needed services.

The report also found that across the cities over the past year, an average of 22% of the demand for emergency shelter is estimated to have gone unmet. Because no beds were available, emergency shelters in 73% of the survey cities had to turn away homeless families with children and shelters in 61% of the cities had to turn away unaccompanied individuals. The report also found an average of 18% of homeless persons needing assistance did not receive it. Officials in 68% of the cities believe resources will stay at about the same level over the next year. Officials in 27% of the cities expect resources to provide emergency shelter to decrease over the next year; four cities expect the decrease to be moderate; and two expect the decrease to be substantial. One city expects resources to increase substantially.

Questions for Consideration

- 1) *What are the current funding sources at the local, state, and federal levels that finance programs serving the homeless?***
- 2) *What existing programs at the local, state, and federal levels have been the most successful at serving the homeless and why?***
- 3) *What existing programs at the local, state, and federal levels have been least successful at serving the homeless and why?***
- 4) *What, if any, is or should be the state's role in preventing and ending homelessness? In other words, which level of government is responsible for tackling the issue?***
- 5) *What kinds of investments would house the most homeless persons?***
- 6) *What kinds of local, state, and federal changes, aside from increased funding, would be and are most beneficial to serve homeless populations?***
- 7) *What is the biggest obstacle facing homeless service providers and housing programs?***

Speaker Biographies

Greg Spiegel, Homelessness Policy Director, Office of Los Angeles Mayor Eric Garcetti. Prior to joining the Mayor's office in October of 2014, Mr. Spiegel spent six years as Director of Public Policy and Communications at Inner City Law Center advancing policies that improve the quality of affordable housing and prevent and end homelessness. Prior to ICLC, Mr. Spiegel spent eight years as a housing attorney at the Western Center on Law and Poverty, where he helped draft and implement state and local reforms to improve slum housing. Mr. Spiegel chaired housing committees of the State and Los Angeles Strategic Plans to End Lead Poisoning and wrote *The Lead Guide: A Community Resource for Lead Poisoning Prevention in California*. From 1997 to 2000, Mr. Spiegel was a staff attorney at the Legal Aid Foundation of Los Angeles working on redevelopment, transportation, affordable housing, and nonprofit corporations issues. In 1996,

Mr. Spiegel was an Americorps fellow working in South Los Angeles. Mr. Spiegel received his law degree from the University of Illinois College of Law and his B.A. from UCLA.

Amy Sawyer, Regional Coordinator, U.S. Interagency Council on Homelessness (USICH). In her current capacity, Ms. Sawyer serves as the principal representative and bridge between the work of the full Council and states and communities. In this role, she is responsible for facilitating the strategic implementation of the federal plan to end homelessness, specifically in California, the Southeast and the Mid-Atlantic regions. Prior to joining USICH, Ms. Sawyer coordinated the Homeless Initiative for the City of Asheville and Buncombe County, NC over the past five years. Her work helped the community make a marked impact on chronic homelessness and apply lessons learned to rapid re-housing, minimizing the impact of housing crisis for the community. In 2012, the community reported a 75% decrease in chronic homelessness. This work, paired with her experiences in family and child social work and a Master's of Science in Human Development, has allowed Ms. Sawyer to bring a unique mix of compassion, vision, collaboration, and evidence-based approaches to her work.

Cynthia Cavanaugh, Assistant Deputy Director of Homeless and Housing Policy, California Department of Housing and Community Development (HCD). Ms. Cavanaugh serves as homelessness policy advisor for HCD and oversees policy direction for state housing programs including the Policy Academy to Reduce Chronic Homelessness, Veteran's Housing and Homelessness Prevention Program, and state Emergency Solutions Grant Program. She has over 30 years of housing policy and development experience at the local and state level.

Daniel Flaming, President, Economic Roundtable. The Economic Roundtable is a nonprofit organization created in 1991 to carry out applied economic, social, and environmental research. Their research into public costs for homelessness in Los Angeles and Santa Clara counties has led to development of screening tools for identifying hospital patients with the highest public costs. The Roundtable is collaborating with a team of social service and housing organizations in implementing screening and housing programs at 18 hospitals that identify high-need homeless patients and place them directly into permanently affordable housing with supportive services. Mr. Flaming has a Ph.D. in urban studies and has led more than 50 major research projects at the Roundtable that have provided tools for building more inclusive and sustaining communities.

Sharon Rapport, Associate Director, California Policy, Corporation for Supportive Housing (CSH). At CSH, Ms. Rapport advances a California policy agenda across multiple issues affecting people experiencing homelessness. She has worked to facilitate state interagency collaboration on homelessness, to channel Medi-Cal resources toward more effective services for people experiencing homelessness, and to fund the creation of affordable places to live for those in extreme poverty. Sharon was instrumental in passing CSH-sponsored legislation to create a Medicaid benefit for housing-based services, Assembly Bill 361, and a ballot initiative to repurpose existing bonds to fund the creation of thousands of apartments affordable to low-income and homeless veterans, recently passed as Proposition 41. She has worked closely with state agencies and stakeholders in implementation. Ms. Rapport provided technical assistance to the Department of Health Care Services in creating a housing and services proposal for

California's 1115 Medicaid Waiver. Prior to joining CSH, Ms. Rapport worked as a Congressional Fellow for U.S. Senator Jack Reed (D-RI), focusing on housing and judiciary issues, and managed a large legal office as a Hearing Office Director for the Office of Hearings & Appeals (SSA).

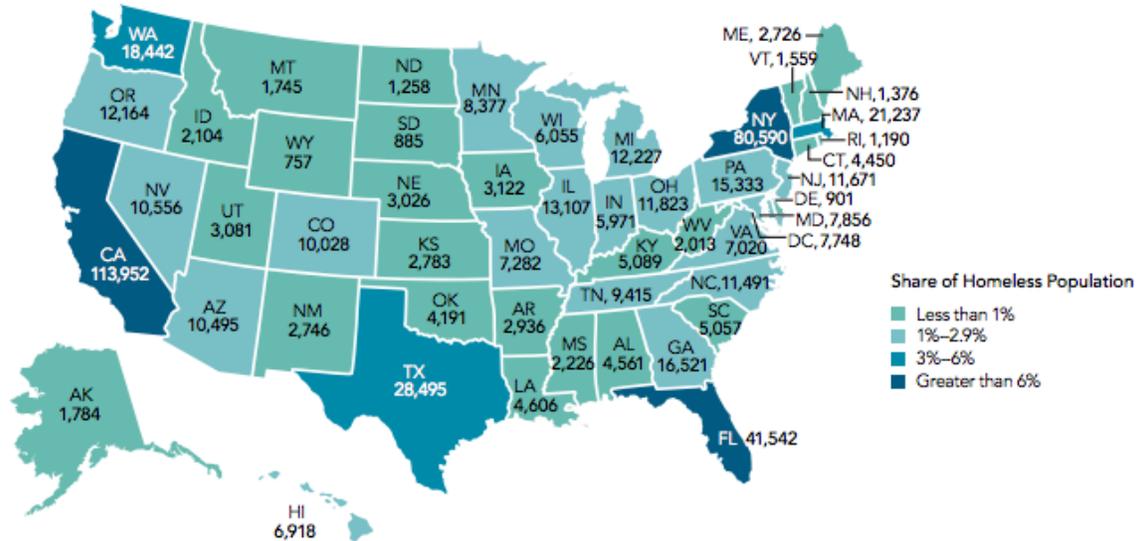
Christine Margiotta, Vice President of Community Impact, United Way of Greater Los Angeles. Ms. Margiotta leads a team that harnesses the collective power of Los Angeles to end homelessness, ensures all students graduate high school prepared for college and career, and creates pathways out of poverty for all Angelenos. She launched Home For Good in 2010, the region's initiative to end homelessness, cultivating the collaboration of over 200 cross-sector leaders to design, fund, and implement innovative, effective solutions to homelessness. Home For Good has brought together public and private funders to leverage over \$730 million in resources and its partners have housed over 23,000 people to date. Ms. Margiotta brings over a decade of experience in policy change, community organizing, and direct service experience. She received her MSW from UCLA in 2003.

Marc Trotz, Director of Housing for Health, Los Angeles County Department of Health Services (DHS). The Housing for Health unit within DHS is responsible for creating a broad range of residential housing options linked to the public health system. Prior to working for the Los Angeles DHS, Mr. Trotz was the Housing Director for the San Francisco Department of Public Health. In that role, he introduced the Direct Access to Housing program, which has been recognized nationally as a pioneering approach to housing and stabilizing people who have had long histories of homelessness along with complex medical and behavioral health issues. Direct Access to Housing created over 1,500 units of supportive housing during his tenure. Mr. Trotz has spent the last 25 years working in the public sector on housing and health policies. The majority of his work has focused on the development of supportive housing for homeless people, persons with chronic health conditions, the elderly, and other populations in need of housing with on-site services. Mr. Trotz strongly believes that housing is a healthcare issue and that stable and supportive housing environments are necessary to make meaningful and lasting improvements in the lives of homeless people.

FACT SHEET: HOMELESSNESS IN CALIFORNIA

EXHIBIT 1.5: Estimates of Homeless People

By State, 2014



Total Homeless People on a Single Night in January 2014:

- California had 113,952 homeless people, which accounted for 20% of the nation's homeless population. California also had the highest rate of unsheltered people at 62.7% (71,437 were unsheltered).
- California experienced the largest decline in the number of people experiencing homelessness, with 25,034 fewer (18.2%) since 2007.
- Nearly one in five homeless people was located in New York City (67,810 people or 12%) or Los Angeles (34,393 people or 6%). The five major city Continuums of Care (CoCs)¹ with the highest rates of unsheltered homelessness were all located in California.

Major City CoCs		
CoC	Total Homeless	% Unsheltered
Highest Rates		
San Jose/Santa Clara City & County, CA	7,567	75.0
Fresno/Madera County, CA	2,592	72.6
Long Beach, CA	2,738	68.6
San Francisco, CA	6,408	67.3
Los Angeles City & County, CA	34,393	65.7

Major City CoCs		
CoC	Total Individuals	% Unsheltered
Highest Rates		
Fresno/Madera County, CA	2,203	85.0
San Jose/Santa Clara City & County, CA	6,681	84.1
San Francisco, CA	5,776	74.1
Los Angeles City & County, CA	28,164	72.9
Long Beach, CA	2,260	71.8

Total Homeless Individuals on a Single Night in January 2014:

- California had 90,765 homeless individuals, which accounted for 25% of the nation's population. California had the highest rate of unsheltered homeless individuals at 72.6% (65,908 were unsheltered).
- California experienced a decline of 20,187 homeless individuals (18%) since 2007.

¹ Continuums of Care (CoC) are local planning bodies responsible for coordinating the full range of homelessness services in a geographic area, which may cover a city, county, metropolitan area, or an entire state.

Total Homeless Families on a Single Night in January 2014:

- California had the largest number of people in families with chronic patterns of homelessness, at 23,187. This accounts for 12% of the state’s homeless family population.
- California experienced a decline of 4,847 fewer homeless people in families (17.3%) since 2007.

Major City CoCs		
CoC	Total Homeless People in Families	% Unsheltered
Highest Rates		
Long Beach, CA	478	53.8
Los Angeles City & County, CA	6,229	33.2
Oakland/Alameda County, CA	1,110	19.6
San Diego City & County, CA	2,007	15.4
Portland-Gresham-Multnomah County, OR	812	15.1

Major City CoCs		
CoC	Total Unaccompanied Children & Youth	% Unsheltered
Highest Rates		
San Jose/Santa Clara City & County, CA	1,137	92.9
San Francisco, CA	1,780	92.6
Las Vegas/Clark County, NV	2,359	88.1
Los Angeles City & County, CA	4,323	79.0
Fresno/Madera County, CA	349	74.5

Total Homeless Unaccompanied Children and Youth on a Single Night in January 2014:

- California reported the largest numbers of unaccompanied homeless children and youth, at 13,709 people or 30% of the national total. It also had the second highest rate of unsheltered homeless children at 78.4% (10,750 were unsheltered).
- California reported the largest decrease with 452 fewer unaccompanied children and youth (3.2%) since 2013.

Total Homeless Veterans on a Single Night in January 2014:

- California had the largest number of veterans experiencing homelessness at 12,096. Homeless veterans in California represented 24% of the national homeless veteran population. California also had the second highest rate of unsheltered veterans at 63.2% (7,639 were unsheltered).
- Homelessness among veterans had declined most dramatically in California, where the number fell by 5,877 people (3%) since 2009.

Major City CoCs		
CoC	Total Homeless Veterans	% Unsheltered
Highest Rates		
San Jose/Santa Clara City & County, CA	813	71.2
Fresno/Madera County, CA	272	68.8
Los Angeles City & County, CA	3,739	68.4
Oakland/Alameda County, CA	538	65.6
Las Vegas/Clark County, NV	1,230	64.8

Major City CoCs		
CoC	Total Chronically Homeless	% Unsheltered
Highest Rates		
Fresno/Madera County, CA	497	95.6
Las Vegas/Clark County, NV	760	95.3
Portland-Gresham-Multnomah County, OR	992	90.3
San Jose/Santa Clara City & County, CA	2513	89.5
Long Beach, CA	984	89.1

Total Chronically Homeless on a Single Night in January 2014:

- One-third of the nation’s chronically homeless population was located in California, at 28,200. California also had the third highest rate of unsheltered chronically homeless, at 84.3% (23,783 were unsheltered).
- California had the largest decrease, with 12,141 fewer chronically homeless individuals (30.1%) since 2007.

References

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