

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, D.C. 20515

August 13, 2019

Memorandum

To: Members, Committee on Financial Services
From: FSC Majority Staff
Subject: August 14, 2019, “Examining the Los Angeles Homelessness Crisis”

The Full Committee will hold a field hearing entitled, “Examining the Los Angeles Homelessness Crisis” at 10 a.m. PDT, on Wednesday, August 14, 2019 at the California African American Museum, 600 State Drive, Los Angeles, CA 90037. This hearing will examine the homelessness crisis in the Los Angeles metropolitan area and what actions have been taken and could be taken at the local, State, and Federal level to address the growing crisis.

Witness List

Panel One:

- Christina Miller, Deputy Mayor for City Homeless Initiatives, Office of Los Angeles Mayor
- Peter Lynn, Executive Director, Los Angeles Homeless Services Authority
- Margarita Lares, Chief Program Officer, Housing Authority of the City of Los Angeles
- Monique King-Viehland, Executive Director, Los Angeles County Development Authority
- Kevin Murray, Former State Senator and President and CEO, The Weingart Center
- Phil Ansell, Director, Los Angeles County Homeless Initiative

Panel Two:

- Tim Watkins, President and Chief Executive Officer, Watts Labor Community Action Committee,
- Joe Horiye, Western Region Program Vice President, Local Initiatives Support Corporation
- Becky Dennison, Executive Director, Venice Community Housing
- Isela Gracian, President, East LA Community Corporation
- Anthony Haynes, Speak Up! Advocate, Corporation for Supportive Housing
- Erika Hartman, Chief Program Officer, Downtown Women’s Center
- Chancela Al-Mansour, Executive Director, Housing Rights Center
- Dora Leong Gallo, President and Chief Executive Officer, A Community of Friends
- Alma Vizcaino, Speaker, Downtown Women’s Center, Domestic Violence Homeless Services Coalition Advocates

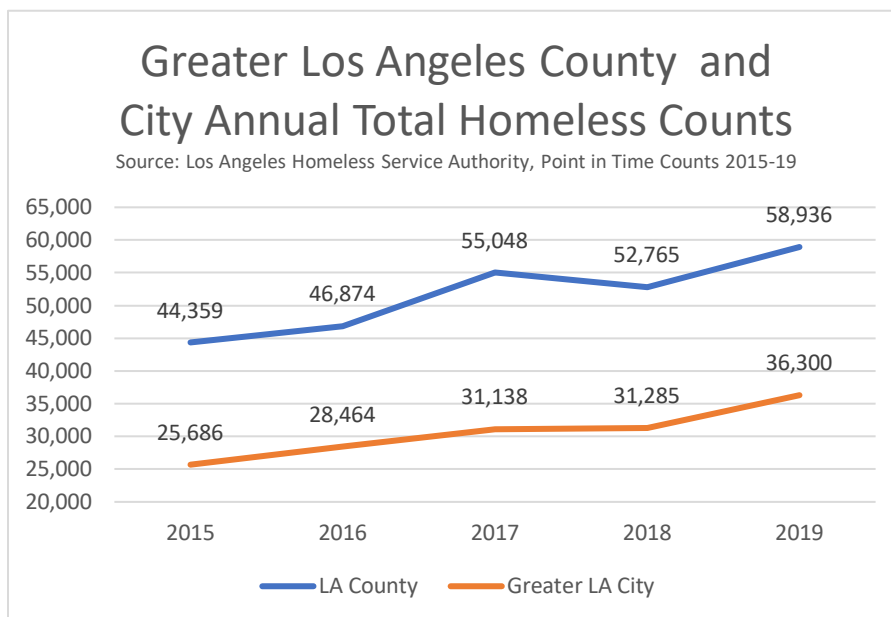
Panel Three:

- Eric Garcetti, Mayor, City of Los Angeles

*Please note additional witnesses may be added to the panels.

Background

The Los Angeles Homeless Service Authority's (LAHSA) 2019 homeless count revealed that in the City of Los Angeles, there are more than 36,000 people experiencing homelessness, including almost 6,000 of whom are children and youth, and over 2,000 of whom are veterans.¹ In Los Angeles County, nearly 60,000 people experience homelessness, which represents a 12 percent increase from the previous year. In Los Angeles County and City, 75 percent of people experiencing homelessness are unsheltered. Racial minorities continue to be over-represented in the homeless population in Los Angeles City and County, with 38 percent of people experiencing homelessness identifying as Black/African and 34 percent identifying as Hispanic/Latino in Los Angeles City. Overall, homelessness in both Los Angeles City and County has seen a steady increase in the past 5 years.



The causes of homelessness are complex and varied, but there are a few issues that may be contributing to the disproportionately high numbers of people experiencing homelessness in the LA metro area. Los Angeles has one of the largest gaps between wages and rents. In 2018, in the Los Angeles metro area, a worker would need to earn \$34.44 to afford rent for a two-bedroom apartment at fair market rent, which is well above the \$14.25 local minimum wage.² In comparison, Harris County's

(Houston) housing wage for a two-bedroom apartment is \$16.58, and Miami-Dade County is \$27.96.³ Further, Los Angeles also has a large shortage of affordable homes for the lowest income households. Specifically, in the Los Angeles metro area, there are only 18 affordable and available homes for every 100 extremely low-income renters.⁴

Additionally, mental health and substance abuse disorders can both cause and be the result of homelessness. Mental health issues account for the third largest cause of homelessness for single adults.⁵

¹ Los Angeles Homeless Services Authority, "2019 Greater Los Angeles Homeless Count," (June 12, 2019). Available at <https://www.lahsa.org/news?article=557-2019-greater-los-angeles-homeless-count-results>.

² National Low Income Housing Coalition. "Out of Reach 2019," (2019). Available at https://reports.nlihc.org/sites/default/files/oor/OOR_2019.pdf.

³ *Id.*

⁴ National Low Income Housing Coalition, "The Gap: A Shortage of Affordable Rental Homes," (March 2019). Available at <https://reports.nlihc.org/gap>.

⁵ National Coalition for the Homeless. Mental Illness and Homelessness. July 2009.

In Los Angeles City alone, over a quarter of the homeless population has a serious mental illness and 15 percent have a substance abuse disorder. According to the United States Conference of Mayors, substance abuse was the single largest cause of homelessness for single adults.⁶ Studies have also shown that homelessness can cause some people to develop mental health disorders or exacerbate existing illness in others. One study examined the mental health of more than 4,000 people who experienced homelessness and found that 16 percent of the study group developed mental health issues after they became homeless.⁷ Additionally, people who experience homelessness often turn to drugs and alcohol to cope with their situation.⁸

America's long history of overincarceration—particularly of people of color—has also contributed to the homelessness crisis. Currently, housing providers can openly discriminate against formerly incarcerated people by denying their rental applications, putting them at risk of homelessness. Formerly incarcerated people are almost 10 times more likely to be homeless than the general public.⁹ Localities, including Los Angeles, have also enacted laws that criminalize homelessness by allowing police to arrest or ticket people for living in public spaces, camping, sleeping, eating, or asking for donations.¹⁰ These policies lead to more people having criminal records, significantly harming their ability to find permanent housing. The LA Times reported in 2018 that arrests of people experiencing homelessness in Los Angeles increased by 31% since 2011.¹¹ The most common charges were for nonviolent or minor offenses, including failure to go to court or pay citations.

Local and State Response to Homelessness

To combat the homelessness crisis, local ballot measures have been passed into law by voters on both the state and local level. In 2016, voters in the City of Los Angeles approved Proposition HHH, which issued \$1.2 billion in bonds to fund housing for people experiencing or at risk of experiencing homelessness. The City's goal was to build 10,000 new units through this measure. The LA Times reported in April 2019 that while the City had committed two-thirds of the bond to housing projects, those projects would only produce a little more than 5,000 units.¹² However, Mayor Garcetti's open letter dated June 11, 2018 stated that there are more than 7,400 new units in the development pipeline.

Voters in Los Angeles County passed Measure H in 2017 that raised the county's sales tax by \$0.25 for 10 years, generating an estimated \$355 million annually to prevent and combat homelessness. As part of Measure H, the City of Los Angeles, the County of Los Angeles, and the Housing Authority of the City of Los Angeles (HACLA) entered into a Memorandum of Understanding (MOU) to provide affordable housing and supportive services financed in large part by the increase in sales tax. Under the MOU, the

⁶ United States Conference of Mayors, "Hunger and Homelessness Survey. A Status report on Hunger and Homelessness in American Cities," (December 2008). Available at http://www.ncdsv.org/images/USCM_Hunger-homelessness-Survey-in-America's-Cities_12%202008.pdf.

⁷ Guy Johnson and Chris Chamberlain, "Are the Homeless Mentally Ill?" (December 22, 2016).

⁸ National Coalition for the Homeless, "Substance Abuse and Homelessness," (July 2009). Available at <https://www.nationalhomeless.org/factsheets/addiction.pdf>.

⁹ Prison Policy Initiative, "Nowhere to Go: Homelessness among formerly incarcerated people," (August 2018). Available at <https://www.prisonpolicy.org/reports/housing.html>.

¹⁰ National Law Center on Homelessness and Poverty, "Housing Not Handcuffs: Ending the Criminalization of Homelessness in U.S. Cities," (2016). Available at <https://nlchp.org/wp-content/uploads/2018/10/Housing-Not-Handcuffs.pdf>.

¹¹ Los Angeles Times, "Huge increase in arrests of homeless in L.A. — but mostly for minor offenses," (February 4, 2018). Available at <https://www.latimes.com/local/politics/la-me-homeless-arrests-20180204-story.html>.

¹² Los Angeles Times, "How close is L.A. to building 10,000 houses for homeless people? Here's a breakdown," (April 22, 2019). Available at <https://www.latimes.com/local/lanow/la-me-ln-hhh-spending-commitments-20190421-story.html>

City of Los Angeles agreed to create approximately 10,000 new units of permanent supportive housing (PSH) over 10 years, while Los Angeles County agreed to provide supportive services, as well as rental assistance and funding for landlord incentives. These services include intensive case management and integrated health services, and connecting individuals to appropriate health, mental health, and substance use services. HACLA agreed to provide up to 1,000 project-based housing vouchers per year, subject to funding availability.¹³ According to the County’s May 2019 quarterly report, a total of 14,241 individuals have been permanently housed as a result of Measure H strategies.¹⁴

In 2018, California voters approved two ballot initiatives related to housing: 1) Proposition 1, “The Veterans and Affordable Housing Act,” which authorized \$4 billion in general obligation funds for housing-related programs, loans, grants, projects, for veterans and 2) Proposition 2, “The No Place Like Home Act,” that ratified issuance of up to \$2 billion in previously authorized revenue bonds to develop permanent supportive housing for people experiencing homelessness, and authorized transfers of up to \$140 million annually from the Mental Health Services Fund to fund supportive services for those units.

Additionally, both HACLA and the Los Angeles County Development Authority have several rental assistance programs that target formerly homeless or chronically homeless individuals. HACLA has several rental assistance programs that serve almost 19,000 households that include formerly homeless or chronically homeless individuals and ensure these households have access to the supportive services they need to maintain housing stability.¹⁵ HACLA and LACDA have also partnered together to provide incentive payments to private landlords to house applicants from HACLA’s homeless housing assistance programs.¹⁶

The Federal Response to Homelessness

There are a number of federal programs in seven different agencies that serve people experiencing homelessness. HUD plays a primary role in the federal response to homelessness through the administration of homeless assistance and affordable housing programs. HUD’s homelessness assistance programs include Emergency Solutions Grants (ESG) and the Continuum of Care (CoC) Program. The ESG program focuses on the emergency shelter and service needs of people experiencing homelessness, as well as homelessness prevention and rapid rehousing. The CoC program focuses on providing longer-term housing and services for people experiencing homelessness and is the largest federal program that primarily serves people experiencing homelessness.

HUD affordable housing programs also play a critical role in reducing homelessness. For example, HUD’s two major rental assistance programs that it administers through public housing agencies (PHAs)—public housing and the Housing Choice Voucher (HCV) Program—include federal requirements to target incomes below 30 percent of the area median income which often includes people experiencing homelessness or on the brink of homelessness. Research has shown that HCVs are highly effective at reducing homelessness.¹⁷ Part of the HCV program is the HUD-VA Supported Housing (HUD-VASH)

¹³ Memorandum of Understanding (October 16, 2017). Available at http://clkrep.lacity.org/onlinedocs/2014/14-0655-s5_rpt_CAO_10-16-2017.pdf.

¹⁴ Homeless Initiative Quarterly Report #13 (May 17, 2019). Available at <http://homeless.lacounty.gov/wp-content/uploads/2019/05/May2019-Homeless-Quarterly-Rpt-No.-13.pdf>.

¹⁵ Housing Authority of the City of Los Angeles, “HACLA Homeless Initiatives,” (February 2019). Available at <http://home.hacla.org/homelessinitiatives>.

¹⁶ HACLA, Homeless Incentive Program. Available at <http://home.hacla.org/hip>.

¹⁷ Center on Budget and Policy Priorities, “Major Study: Housing Vouchers Provide Haven for Homeless Families,” (November 4, 2016). Available at <https://www.cbpp.org/blog/major-study-housing-vouchers-provide-haven-for-homeless-families>.

program, which is a joint HUD and VA initiative, provides specially designated HCVs to veterans experiencing homelessness while the VA provides supportive services. PHAs often make efforts to serve people experiencing homelessness by prioritizing them on waitlists for both public housing and vouchers and removing barriers that prevented them from accessing housing assistance programs, including HACLA and LACDA, as discussed above.¹⁸ The national Housing Trust Fund (HTF) is also an important resource to states and localities in combatting homelessness as it provides block grants to develop housing affordable to the lowest income people, including people experiencing homelessness. Since the HTF received its first allocation of funds in 2016, many states have used their HTF money to target projects that will serve people experiencing homelessness.¹⁹ While HUD's homeless assistance and affordable housing programs have a proven track record in serving America's most vulnerable populations, these programs are consistently not funded at levels necessary to reach everyone in need. For example, only one in four people eligible for HUD rental assistance actually receives it.²⁰

There are various other federal homeless assistance programs at other agencies, including the Runaway and Homeless Youth program administered by the Department of Health and Human Services and the Education for Homeless Children and Youths program administered by the Department of Education. Congress also created the U.S. Interagency Council on Homelessness (USICH) to coordinate the federal response to homelessness across relevant federal agencies. USICH is an independent agency that leads national efforts to prevent and end homelessness in America, by driving action and maximizing the efficient use of resources in support of best practices at every level of government and in partnership with the private sector. Since USICH began coordinating the nation's response, 66 communities across 32 states and three full states have achieved the goal of effectively ending veteran homelessness and 3 communities have effectively ended chronic homelessness.²¹ USICH's statutory authorization terminates September 2028.

Legislative Action

In February 2019, the House Financial Services Committee for the first time held a full Committee hearing specifically on homelessness. Several draft bills aimed at addressing homelessness were discussed during the hearing, including the Ending Homelessness Act of 2019 (H.R. 1856), introduced by Chairwoman Waters. The bill provides \$13.3 billion to scale up existing programs to meet the needs of every person experiencing homelessness in this country. The Committee approved this legislation in March 2019.

Legislative Proposals

- H.R.____, "Homeless Data Access" is a discussion draft that would authorize public housing agencies to disclose information regarding homeless individuals and families to homeless service provider agencies to facilitate providing housing and services for such individuals and families.

¹⁸ Office of Policy Development and Research, Department of Housing and Urban Development, "Study of PHAs' Efforts to Serve People Experiencing Homelessness," (February 2014). Available at https://www.huduser.gov/portal/publications/pdf/pha_homelessness.pdf.

¹⁹ National Low Income Housing Coalition, "Getting Started: First Homes Being Built with 2016 National Housing Trust Fund Awards," (March 2019). Available at https://nlihc.org/sites/default/files/NHTF_Getting-Started_2018.pdf.

²⁰ National Low Income Housing Coalition. "Out of Reach 2019," (2019). Available at https://reports.nlihc.org/sites/default/files/orr/OOR_2019.pdf.

²¹ United States Interagency Council on Homelessness, Communities That Have Ended Homelessness. Available at: <https://www.usich.gov/tools-for-action/communities-that-have-ended-homelessness>.

- H.R.____, “Tribal Eligibility for Homeless Assistance Act of 2019”, introduced by Representative Denny Heck (WA), would amend the McKinney-Vento Homeless Assistance Act to enable Indian Tribes and tribally designated housing entities to apply for, receive, and administer grants and subgrants under the Continuum of Care Program of the Department of Housing and Urban Development.
- H.R. 2398, introduced by Representative Scott Peters (CA), would expand eligibility for the HUD-VASH program and direct the Secretary of Veterans Affairs to submit annual reports to the Committees on Veterans’ Affairs of the Senate and House of Representatives regarding homeless veterans.
- H.R.____, “Fostering Stable Housing Opportunities Act of 2019” is a discussion draft from Representative Madeleine Dean that would amend the Family Unification Program to extend housing assistance for up to an additional two years to youth aging out of foster care who meet certain conditions.