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Committee on Financial Services: “Examining the Homelessness Crisis in Los Angeles”

Witness:

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Venice Community Housing (VCH) works to reduce homelessness, maximize affordable housing, empower low income constituents, provide social services, and advocate for public policy that protects and strengthens the economic, racial and cultural diversity of Venice and other neighborhoods on the Westside of Los Angeles. VCH owns and operates 236 units of affordable housing, a combination of new construction and housing preservation, including 78 supportive housing units and 28 interim housing units for people experiencing homelessness. VCH also provides property management, social services to all tenants, and other community-based programming such as after-school and YouthBuild programs. VCH currently has four new developments in the pipeline in Venice totaling 225 affordable homes, including 150 new supportive housing units. VCH is active in community organizing and advocacy efforts that protect existing affordable housing and promote the rights of tenants and unhoused residents.

Written Testimony:

While the homelessness crisis in Los Angeles, and throughout the country, has complex and interrelated causes and contributing factors, four core root causes are presented in this written testimony, along with existing or proposed solutions in each area. Given time constraints, this written testimony is not intended to be comprehensive in each issue area, but is based on accessible data, commonly accepted research, and the decades of experience of both Becky Dennison and Venice Community Housing in addressing LA’s housing affordability and homelessness crisis. Additionally, Venice Community Housing largely focuses its housing production, preservation and advocacy work in the City of Los Angeles, and this testimony therefore has a focus on the City of Los Angeles, the largest City in the region, with less focus and expertise on the full County and its other 87 cities.

The root causes of homelessness presented and explored, within the Los Angeles context, are as follows:

1. A severe lack of production of affordable housing, and particularly extremely low-income and supportive housing
2. The lack of legal basis and/or political will to preserve all existing affordable, rent stabilized, subsidized or other accessible rental housing
3. Insufficient protections for low and moderate income tenants and homeowners to prevent forced displacement
4. Persistent and targeted efforts to criminalize homelessness or otherwise forcibly remove people from public spaces, though housing and shelter alternatives are not available

Production of affordable, extremely low-income and supportive housing

According to the Southern California Association of Non Profit Housing and California Housing Partnership Corporation, at least 500,000 affordable housing units are required in Los Angeles County to meet the current need. According to the City of Los Angeles Housing Element (2013-2021), 25 percent of all new housing built is needed for very low-income and extremely low-income households (50% of median and 30% of median, respectively). Yet in that same Housing Element, based on available resources, the City projected to produce just 75% of its overall need, only about 37% of the need at very low-income and just 17% of the need at the extremely low-income level. With the largest production gaps at the lowest income levels, it is not surprising that homelessness continues at crisis levels in Los Angeles. Though resources have increased at the local and State level since the Housing Element was produced, it is not likely they can eliminate the disparity for the lowest income production needs. The Los Angeles region simply has an overwhelming lack of production of affordable housing and, even with recent local gains, faces a significant gap in meeting production needs.

Los Angeles has also under-produced supportive housing. Supportive housing, targeting people who are experiencing homelessness at the time of lease up, is an evidence-based solution for homelessness among people with disabilities or others who benefit from a high level of social services. Supportive housing has been a widely accepted proven solution for at least 15 years, and has been a model used in Los Angeles for over 20 years. Yet, within the scale of Los Angeles' need, only about 6,500 units were produced in the City of LA over that same 20 year period. Los Angeles and California voters have passed multiple ballot initiatives in the past three years focused on producing new supportive housing, and projects currently in the pipeline have exceeded planned goals in a short timeframe. However, without additional resources from the Federal government, and sustained or permanent resources locally, LA will take a significant step forward but will not meet the overall need.

Los Angeles has an experienced and successful affordable and supportive housing development community, which has grown in recent years. LA has also begun to take needed steps to streamline approvals for affordable and supportive housing, with more improvements necessary. With increased and sustained resources, the development capacity exists, or could be rapidly achieved, to meet the actual needs of low-income, very low-income, and extremely low-income people in LA, including those currently without housing.

The role of the federal government includes:

- Significantly increasing rental subsidy, particularly for supportive housing and extremely low-income housing which rely on rental subsidy for feasible and sustainable projects. Currently, housing authorities must make decisions in a scarcity environment, balancing the need for new supportive housing, affordable housing, public housing rehabilitation programs, and tenant-based housing choice vouchers within a limited pool of rental subsidy. There is nowhere near enough to cover even a portion of all of these needs.
- Addressing the issue of under-production of extremely low-income housing, including but not limited to reforms or alternatives to the tax credit program which does not address the extremely low-income need.
- Massive reinvestment in affordable housing production across all low income categories at investment levels similar to 1978, including reinvestment in the public housing program. The budget authority for low and moderate income housing was cut 77% from 1978 to 1983 and has never been restored.

Preservation of all affordable, rent-stabilized, subsidized or other accessible rental housing

LA's homeless crisis is persistent because more people enter homelessness each year than exit, partially due to the loss of affordable rental housing. According to the City's Housing Element, from 2000 to 2011, 40% of the City's rental units that were affordable to households making less than \$22,000 a year and 143,000 rental units that were affordable to households making less than \$44,000 a year became unaffordable. Thousands more are at risk of losing affordability in the coming years due to expiring use restrictions, removal of housing from the market, and/or lack of vacancy controls on rents in California.

Housing preservation efforts face significant challenges due to the lack of requirement or incentive for private landlords to remain in the affordable housing market when use restrictions expire, state laws that limit the effectiveness of rent stabilization and rent control ordinances, and other factors. Los Angeles must do better, even within these limitations. Increased and more effective enforcement of existing laws protecting units and tenants, targeted investment in housing and rental rate preservation in gentrifying communities, and expanding local implementation policies for restrictive state laws would improve the situation.

The role of the federal government includes:

- Increase resources for housing rehabilitation and preservation, in addition to production, in all funding streams to expand the limited pool currently covering both.
- Improve the public housing preservation programs so that resources for rehabilitation, operations and rental subsidies are expanded to meet the public housing need, and eliminate the current competition for limited resources between public housing preservation and additional housing needs.
- Limit or eliminate market-based solutions that have expiring use timelines, and/or require timeline extensions based on existing affordable housing need.

Protection of tenants and homeowners against forced displacement

Interrelated to the need for preservation of housing affordable to low and moderate income people is the need to directly protect people living in these housing units. The devastating impacts of the foreclosure crisis on low and moderate income households is well documented, and also exacerbated the rental housing shortage in LA as more households became renters. Tenants in market-rate, subsidized and public housing have faced varied levels of eviction and forced displacement, with tenant rights generally not reaching a level of equity with landlord or property owner rights. California has several laws in place that prevent the strengthening of anti-displacement policies and practices, most notably the Ellis and Costa-Hawkins Acts. Within these limitations, Los Angeles can still implement new policies that better protect tenants such as a Right to Counsel for those facing eviction, enactment of just-cause eviction and limited rent increase policies in cities that don't yet have them, and reforms to the City of Los Angeles Rent Stabilization Ordinance. State law changes are urgently needed, though, to reduce evictions and forced displacement that force many into short or long-term homelessness.

The role of the federal government includes:

- Enact and enforce the strongest tenant protections for public and subsidized housing tenants, including a particular focus on eviction prevention or prohibition during public housing rehabilitation projects.
- Prevent the enactment or implementation of any displacement policies, most urgently the proposed mixed-status families policy that would impact thousands of families in Los Angeles alone, forcing many of them into homelessness and all into crisis and trauma.

Ending the criminalization of homelessness and forced displacement from public space

Los Angeles has invested incredible financial and political resources in policies and initiatives explicitly intended to criminalize homelessness, as well as other initiatives framed as an alternative approach but resulting in harassment and forced displacement of unhoused residents. It is well documented that Los Angeles has an extreme shortage of housing across all types, including emergency, bridge and permanent housing. Therefore, LA also has the largest unsheltered homeless population in the country.

Criminalization efforts in Los Angeles in the last decade have ranged from intentional, targeted, and intense policing such as the Safer Cities Initiative in downtown Los Angeles (2006 – 2014), resulting in tens of thousands of arrests for minor offenses such as sitting on the sidewalk or drug possession. As a result of community organizing and growing evidence that criminalization violates human and civil rights, is expensive, and prevented people from accessing housing, Los Angeles leadership changed its rhetoric and to some extent its approach beginning in 2014. However, at the same time, in addition to more than a dozen “quality of life” laws already on the books, new laws were enacted to criminalize sleeping in vehicles and the possession of reasonable property. Also, new initiatives, such as Operation Healthy Streets (2014-2019), were enacted that were not explicitly intended to criminalize people but had the same result of forced displacement, illegal seizure of property, and other harassment that made it harder for people to become housed or simply survive.

Based on research by UCLA and investigation by the LA Times, arrests of homeless residents increased 31% from 2011 to 2016, at the same time Los Angeles Police Department arrests overall decreased by 15 percent. Two-thirds of those arrested were Black or Latino, and the rate of arrests citywide among homeless residents went up from 1 in 10 in 2011 to 1 in 6 in 2016. These arrests, and similar harassment, property confiscation and displacement, result in human and civil rights violations and also prevent people from work with outreach workers and others to access much needed housing. These practices exacerbate homelessness overall, and discriminate against people for their current unhoused status.

Unhoused and especially completely unsheltered people and communities need emergency interventions that meet basic needs and promote health, even in extreme and unacceptable conditions overall. Los Angeles organizations have produced a Services Not Sweeps platform that must be enacted, calling for the provision of restrooms, showers, and other health-based interventions until Los Angeles can provide safe housing for all in need. <https://servicesnotsweeps.com/>

The role of the federal government includes:

- Provide funding, and/or incentivize or match local funding, for health-based, street-based solutions, as are provided in any other emergency such as natural disasters.
- Proactively prevent cities and localities from enacting or enforcing unconstitutional laws and practice.
- Enforce HUD’s anti-criminalization mandate in the Continuum of Care program, though attention must be paid to prevent harm to unhoused residents by withholding or reducing funds.

Disparate Impacts (Subpopulations)

The invitation to testify included a question regarding subpopulations most affected by homelessness and Venice Community Housing's services targeting these groups. There are many groups of people disproportionately impacted by homelessness, and/or have seen drastic increases in homelessness recently, including African Americans, other communities of color, women, domestic violence survivors, youth and young adults, seniors, Veterans, people with mental illnesses, and others. Venice Community Housing works diligently to ensure all housing is inclusive and to remove any barriers – intended or unintended – for specific groups of people in accessing housing. Additionally, we have housing that specifically prioritizes underserved groups, including people with severe mental illnesses and young adults. All government programs must ensure those most impacted are intentionally included, funded at appropriate levels, and have specific and relevant services for those groups.

However, we caution against too much prioritization of specific groups of people, as the right to housing requires an approach that provides housing for all in need. Prioritization of chronic homelessness, for example, is an understandable policy decision in an environment of far too scarce resources. In doing so, though, other people facing homelessness have even more restricted resources. We must invest at the level of real need, not the needs of one particular group most impacted. Resources can and should still be targeted to specific groups' needs and conditions, but not at the expense of (or justification for) investment that would truly address and solve homelessness.

The one exception to the statement above is the need to address the unacceptable overrepresentation of Black people experiencing homelessness that has been persistent in Los Angeles for far too long. Longstanding patterns of housing discrimination, employment discrimination and exclusion, racism in the criminal justice system and other government systems, and other factors drive this disparity and must inform and drive all programs, policies and solutions. We refer you to the Los Angeles Homeless Services Authority's Ad Hoc Committee report and recommendations for further exploration of needed initiatives and solutions. <https://www.lahsa.org/documents?id=2823-report-and-recommendations-of-the-ad-hoc-committee-on-black-people-experiencing-homelessness>

Conclusion

Los Angeles and California can and must implement new policies and funding streams that address the scale of need for affordable and supportive housing production, housing preservation, and tenant protections, as well as eliminate policies and practices that are unjust and ineffective. The federal government could help create incentives or pressure to do so, though that seems unlikely in the current administration. However, LA and all regional efforts will not succeed in solving the homelessness crisis without massive reinvestment in housing for those most in need at the federal level. H.R. 1856 reflects a significant step forward in the federal reinvestment needed, but additional efforts will be required to meet the scale of housing need and advance the human right to housing.