



Homelessness in California

Background Information for Joint Task Force Efforts

September 16, 2016

Introduction

CSAC and the League formed the Joint Homelessness Task Force (HTF) because the issue of homelessness has increased dramatically across our state and tackling the issue demands collaboration between cities and counties. Collaboration between jurisdictions is critical to identifying and delivering solutions that reflect the unique needs of each community. One of the primary goals of the HTF is to reach a mutual understanding of this statewide problem and answer the question: What actions are needed to prevent and reduce the number of homeless individuals and families in our communities? We expect to also learn about best practices underway in counties and cities today. In addition, the work of the HTF will assist in educating our respective memberships of our findings and solutions through presentations at workshops at our respective conferences, the creation of web pages to provide counties and cities with resources, data and information on homelessness issues, etc.

At our initial meeting we have invited Ben Metcalf, the Director of the State Housing and Community Development to speak about homelessness from the state's perspective and to share their knowledge of our homeless population. We hope to build a common shared understanding of the homeless population in California, how we relate to the national homeless problem, and other data and information necessary to have in order to develop tangible solutions to the many and varied issues around homelessness. The following is some very high-level information and data on the homelessness population in California, how the State relates nationally, causes of homelessness, and existing programs and services that attempt to address homelessness in cities and counties across the state. CSAC and League staff will provide more in-depth and additional information as the HTF requires it for the work that lies ahead.

The Big Picture

Despite continuing decreases in the homeless population nationwide and in California (except for a 1.6% increase last year), homelessness remains a challenge that few jurisdictions have found the solutions and resources to address. It remains a significant and complex problem. There are over 115,738 homeless people in California according to the 2015 HUD Point-in-Time (PIT) count. This marks a disturbing reversal of the trend from 2007 to 2015, which had seen a 16.7% drop in the state's homeless population.

The situation is particularly dire in Los Angeles. The metropolitan area witnessed a one-year increase of 11%, bringing its homeless population to 41,174 people – 7% of the nation's homeless population. Los

Angeles is not alone, however: Of the nation's major city continua of care with the largest homeless populations, three others in the top 10 are also located in California: San Diego (8,742), San Francisco (6,775) and San Jose (6,556).

Further, many smaller cities and rural areas that previously had little experience with homelessness are wrestling with how to address a problem frequently called a humanitarian crisis.

California's increase in homelessness runs counter to the national trend. From 2010-2015, homelessness nationwide dropped 11 percent, overall, with a 26 percent drop in the unsheltered population, since President Obama launched Opening Doors: the federal strategy to prevent and end homelessness.

Causes of Homelessness

Broadly, increased housing costs and poverty rates contribute to homelessness. California is one of the most expensive housing markets in the nation, and has a poverty rate of 16.4% compared to the national poverty rate of 14.5%. Unemployment is another contributing factor to homelessness. California has an unemployment rate of 5.5% (July 2016), compared to the national unemployment rate of 4.9% (July 2016). According to a U.S. Conference of Mayors survey, major cities across the country report that top causes of homelessness among families also include low wages.

The same report found that the top five causes of homelessness among unaccompanied individuals were (1) lack of affordable housing, (2) unemployment, (3) poverty, (4) mental illness and the lack of needed services and (5) substance abuse and the lack of needed services.

Homelessness is often complicated by addiction and mental illness. Statewide, the number of psychiatric beds decreased by 30% between 1995 and 2010, according to the California Hospital Association.

For women, domestic violence is also a leading cause of homelessness. Children who are homeless are significantly more likely to be homeless as adults.

Depleted Funding at Federal and State Levels

From 2005 to 2015, federal investments in several critical housing development programs declined significantly. These include: a 77 percent reduction in the U.S. Department of Agriculture's Section 515 program (Rural Rental Housing Loans), a 55 percent reduction in the U.S. Department of Housing and Urban Development's Section 202 program (Supportive Housing for the Elderly), a 62 percent reduction in the HOME Investment Partnerships Program, and a 50 percent reduction in Community Development Block Grants.

At the state level, the 2012 dissolution of California's 60-year-old redevelopment program meant a loss of \$1 billion annually in housing funding for cities.

Over the past 15 years, three voter-approved bond measures — Proposition 46 (2002), Proposition 1C

(2006), and Proposition 41 (2014) — authorized \$5.6 billion in bond funding for affordable housing construction, including housing targeted at homeless individuals and families. The vast majority of Proposition 46 and Proposition 1C funds have now been spent, however. As of June 2016, approximately \$390 million from Proposition 41 remained available.

Existing Approaches and Resources to Address Homelessness

Housing First

An evidence-based Housing First model that recognizes that stable housing paired with social services greatly increases a person's chance to improve their mental and physical health, gain employment, and other positive outcomes. This differs from traditional shelter models in that it welcomes homeless individuals no matter their circumstances, including those suffering from mental health problems and addiction. In addition to a growing track record of success, Housing First has shown the potential to reduce costs incurred by attempting to provide social services to people living on the street and cycling through emergency rooms, jails and treatment centers.

The emphasis on Housing First programs and success on the ground resulted in states and local governments looking to success in places like Utah, which have used the approach to dramatically reduce homelessness there. The U.S. Department of Housing and Urban Development has also made Housing First programs, like rapid re-housing and permanent supportive housing, central to its funding.

The change has not been without friction. Some shelters that have long received federal support have seen dramatic cuts, and some organizations, including churches, have balked at taking in drug users. Some blame an increase in people living on the street in part on funding going to housing projects not yet online.

A number of California counties and cities have been pioneers in homeless services; others have begun adopting Housing First in earnest. They've housed thousands of homeless individuals – and some are home to programs held up as national models – yet collectively California has failed to stem the tide of homelessness.

Veterans

A coalition including the US Interagency Council on Homelessness, the US Department of Veterans Affairs, and the National League of Cities are using the Mayors Challenge to call on mayors to end Veteran homelessness in their city. While this effort is focused primarily on cities, Veterans' homelessness is an issue that impacts counties as well. There are federal programs and funding sources specifically designed to target this population, including the HUD-VASH program and the Department of Veterans Affairs Supportive Services for Veteran Families program. HUD-VASH is a combination of the Housing Choice Voucher with case management and clinical services provided by the Department of Veterans Affairs. The Supportive Services for Veteran Families program awards grants to organizations that assist very low-income Veteran families residing in or transitioning to permanent housing with a range of supportive services designed to promote housing stability.

No Place Like Home

The No Place Like Home program would divert some Mental Health Services Act (Proposition 63) funding to finance up to \$2 billion in bonds to fund local permanent supportive housing units. This bond funding is divided into a competitive “pot” (\$1.8 billion) and a non-competitive “pot” (\$200 million) of funding to counties. Within the competitive pot of funding, counties will be grouped into four tiers based on total population, within which they will compete for funding: Los Angeles County, Large counties with a population over 750,000, medium counties with a population between 200,000 and 750,000, and small counties with a population under 200,000. Awards in the competitive pot are not based on a counties’ homeless count, and the small county tier has access to at least 8 percent of the total funds. Further, there is the option of an “alternative process” for the counties with more than 5 percent of the statewide homeless population to access funding directly, but this option limits the amount of funding an alternative county may access to their proportionate share of the homeless count. A \$200 million in initial “over the counter” funding relies on a county’s homeless count – which will be developed under the bill’s guidelines – and includes a \$500,000 minimum award for any county that applies with an eligible project, regardless of the number of units within the proposed project.

The proposal also includes up to \$2 million for technical assistance to counties based on size and uses up to five percent of funds for state administrative costs. Additionally, four percent of the competitive pot is set aside for a default reserve.

Siting Grants

The FY 2016-17 state budget included \$20 million for grants for cities to increase positive outcomes between law enforcement and high-risk populations, including homeless outreach teams and crisis intervention training for officers

Community-Based Transitional-Housing Program

The state budget also established a \$25 million Community-Based Transitional-Housing Program that offers cities or counties incentive grants for siting supportive housing for recently released offenders

Emergency Solutions Grant Program

A new program – the Emergency Solutions Grant Program – in the FY 2016-17 state budget to be administered by the Department of Housing and Community Development, funds from which may be allocated to perform homeless outreach, operate shelters, rapidly rehouse individuals and families, and support homelessness prevention.

Law Enforcement Assisted Diversion Program

The Law Enforcement Assisted Diversion Program (LEAD) was also created in the state budget this year which will be administered by the Board of State and Community Corrections. Among other goals, the program aims to improve public safety and reduce recidivism by increasing social service resources, provide case management, and prioritize temporary and permanent supportive housing.

Cities, Counties Turning to Comprehensive Collaborative Approaches to address Homelessness

Given the intractable nature of the problem, cities and counties are turning more and more to comprehensive collaborative approaches to help systematically address the root causes and immediate issues associated with homelessness. The cooperation and coordination across agencies and departments is a critical element of success. Solutions often center on effective outreach, short and longer term housing options, mental and behavioral health services, job trainings and more.

In conclusion, there are many innovative ways in which cities and counties are taking on the challenge of homelessness. However, the complexity of the homeless population and the diverse reasons that have contributed towards individuals finding themselves homeless demand an array of solutions. We look forward to your perspectives, insight and ideas as we grapple with this challenge.

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