

**Statement of Los Angeles Mayor Eric Garcetti & Deputy Mayor Christina Miller
before the House Committee on Financial Services Field Hearing on “Examining
the Homelessness Crisis in Los Angeles.”**

Wednesday, August 14, 2019

Introduction:

Chairwoman Waters, Ranking Member Henry, and Members of the Committee: my name is Eric Garcetti, and I serve as Mayor of Los Angeles.

Without a doubt, homelessness is the most urgent moral and humanitarian crisis of our time. It is a difficult, complex emergency confronting our city, state, and nation, and addressing it requires immediate action from all levels of government.

Here in Los Angeles, we are facing this challenge head-on, with every possible resource at our disposal. Each day, we are focused on bringing our neighbors indoors, delivering services to Angelenos experiencing homelessness, and preventing families from winding up on our sidewalks in the first place. We are devoting more funds in our City budget than ever before — a 25-fold increase from four years ago. We are housing more people across our county than ever before — finding a home for nearly 22,000 Angelenos in 2018 alone.

Yet the number of homeless individuals in our city and region continues to grow, a result of long-running trends that range from our housing shortage, unaffordable rents, and income inequality, to issues surrounding mental illness, substance abuse, and the criminal justice system. Too often, folks are falling into homelessness faster than we can house them.

All the while, decades of disinvestment by the state and federal governments have only compounded the problem, part of a series of policy decisions that have built up over the years and hampered our efforts to turn the tide on this emergency.

That has to change. We have to own up to the reality of how we reached this point — and do more, faster, to get the job done on behalf of everyone who calls Los Angeles home.

That is what we are discussing today: how the City is identifying and responding to the trends driving homelessness, alongside our regional partners; what our effective service interventions include; how we address the complex needs of specific populations; how

we can and will deploy local, state, and federal resources; and what we need Congress to do right now to help us move the needle in Los Angeles and across the country.

Trends

It has never been more apparent that the housing crisis is inextricably linked to homelessness, as first-time homelessness continues to increase due to economic factors. When I took office, the City's toolbox to deal with this crisis was severely constrained. Housing production slowed during the Great Recession, exacerbating the shortage that had grown since the 1980s in the midst of widespread anti-growth sentiment in Los Angeles. The City's chronic affordability crisis among the lowest-income Angelenos, and an acute shortage of affordable homeownership opportunities for middle-income families, creates the pressure that forces people out of their homes and into their cars, and oftentimes, into tents on the street.

According to the California Housing Partnership Corporation, we have a deficit of 516,946 affordable homes across Los Angeles County that would serve to meet the needs of households making less than 50% of the Area Median Income. This is compounded by reductions to HUD grants long used for increasing the affordable housing supply, such as HOME and Community Development Block Grants (CDBG). Coupled with woefully underfunded federal rental assistance and public housing programs and state reductions in affordable housing investments over the last decade and a half, along with rising rents and an increasing shortfall in available affordable units, the cumulative effects of these trends has contributed to the unsheltered crisis of homelessness we see today in California.

According to the results of the Los Angeles Homeless Services Authority (LAHSA) Point-in-Time annual homeless count, homelessness impacts less than 1% of the Los Angeles population, with 58,936 people counted Countywide and 36,165 Citywide. **We know this is just the tip of the iceberg.** There are more than 950,000 low-income households in Los Angeles County that experience severe housing challenges and are teetering on the verge of homelessness. They either pay more than half their income on housing or live in severely overcrowded or substandard living conditions. According to public opinion polls, homelessness is seen as one of, if not the, most urgent and important issue impacting communities.

Consistently, we have found that the homeless population is comprised of roughly two-thirds men and one-third women (with 2% transgender). Three out of four persons counted are unsheltered, and 65% to 75% of households have lived in the Los Angeles

area for 10 years or more. One-third of people experiencing homelessness report mental illness and/or substance abuse issues. Black Angelenos are disproportionately represented when compared to the overall population (35% to 40% of the homeless population, while making up just 9% of the overall County population). What's more, according to count results, approximately 65% of the homeless population has had some involvement with the criminal justice system.

While issues of incarceration, mental health, drug addiction, and trauma are key themes among homeless Angelenos, economic factors are driving more people into homelessness than before.

Responses

A strategic response to homelessness began in earnest with the establishment of the Coordinated Entry System in 2013; the adoption of formal City and County plans in 2016; the meaningful and sizable investments stemming from the passage of the City's Proposition HHH supportive housing loan program in 2016, and the County's Measure H program in 2017. **All told, these measures together will yield nearly \$5 billion over 10 years.**

This year's City of Los Angeles Homelessness Budget amounts to \$462 million—25 times the homelessness budget in 2015—with two-thirds of spending going towards permanent housing. Through an action-oriented partnership with the County, LAHSA, and philanthropy, the City is focused on a response that can be broken down into three areas:

1. Preventing homelessness,
2. Reducing street homelessness, and
3. Increasing and preserving affordable and supportive housing.

Additionally, for the first time ever, the City has a place-based strategy in Skid Row, the epicenter of the region's crisis.

Homelessness prevention is a key part of our regional strategy, and we continue to learn how best to target these resources. We understand that many households experiencing homelessness over the course of a year resolve their homelessness entirely on their own; in fact, it is estimated that 27,000 people did so last year without touching the system at all.

But Los Angeles' housing shortage and affordability crisis is changing the face of the City by forcing Angelenos out of their homes and onto the streets. Even though many residents have legal rights that would preserve their tenancies and entitle them to relief, they lack the knowledge of those rights, and they lack the power or ability to successfully advocate on their own behalf. Tens of thousands are ending up on the street, imposing unprecedented costs and stress on City services.

The best way to prevent homelessness is to keep people in their current homes.

One of the most effective ways to do that is through an eviction defense program that intervenes before families are forced from their units. For example, in the first year of New York City's program, 84% of represented tenants remained in their homes.

We are developing a framework for an eviction defense program that will support tenants at every moment of their tenancy, from when they move in, with information about landlord and tenant rights and responsibilities; to when they are at risk and look for help with advice and mediation, and through a legal notice and court if it escalates to such a level.

The goal is to never reach that moment. We want to reduce eviction filings so that a tenant will never need a lawyer in court to level the playing field. Instead, we want to stabilize communities through cost-saving early interventions and through leveraging existing systems for support. This will not only reduce the trauma of displacement, but will reduce inflow into homelessness.

The program will launch this year with a \$3 million initial investment. This "phase-in" approach in a few designated geographies will allow for the provision of the full scope of services to keep people in their housing and to realize associated cost savings. We are also including a robust evaluation to begin building the infrastructure to go to scale as soon as possible.

The City knows that the needs of those living in unsheltered conditions—on the street, in vehicles, in encampments, and in other outdoor circumstances—are central to the work of improving and ensuring their, and our neighborhoods'. health and safety. Part of my strategy includes designating a team of experts in the public services field to coordinate interdepartmental strategies within the City and County of Los Angeles, as well as the state, that serve unsheltered individuals with public health and sanitation in mind. In April 2018, I founded the Unified Homelessness Response Center, centered out of the City's Emergency Management Department, which serves as the one-stop hub for these coordinated health and sanitation responses. The City's Sanitation

Department also revised its strategies in deploying cleaning and hygiene services to encampments, ensuring that unsheltered individuals living together are treated with respect and empathy, and are given the personal sanitation services necessary to stay healthy.

Before finding permanent housing, many unsheltered Angelenos enter into temporary or bridge housing. In 2018, my team committed to standing up at least 15 interim housing sites across Los Angeles through our signature A Bridge Home initiative. At the start of this effort, at least 25,000 individuals in the City on any given night did not have access to a shelter bed. Serving vulnerable populations where they live by signing up residents closest to the sites, A Bridge Home helps unsheltered Angelenos regain the feeling of safety and security that only a bed and a roof can provide, along with supportive mental health and case management services. The City has currently opened four sites, and will open 22 more before the end of the current fiscal year. When completed, A Bridge Home will put nearly 2,000 beds online to serve those who need them the most.

My first-term housing strategies can best be described as getting “back to basics,” making development work, and replenishing funding sources. We advanced an aggressive development reform agenda, establishing a goal to surpass our Regional Housing Needs Assessment (RHNA) allocations and permit 100,000 new units of housing by 2021—a goal we’re set to hit two years early. This construction boom is facilitated by new streamlining initiatives. It will be extended by our advocacy efforts in Sacramento to remove regulatory barriers and by updating our local zoning codes to increase housing capacity.

In order to meet the needs of our most vulnerable homeless Angelenos, the \$1.2 billion Proposition HHH loan program has led to the City more than tripling its existing supportive housing pipeline, with 110 projects and over 7,400 units on their way to people living on our streets and in other circumstances, putting us on track to meet the goal to build 10,000 units of supportive housing by 2026.

But my Administration knows that a completely free-market approach to any marketplace does not always result in benefits that trickle down to all. That is why my first term also focused on policies that harness the benefits of private investment for lower-income communities. We’ve done that by implementing the City’s first inclusionary zoning program, the Affordable Housing Linkage Fee, which mandates the inclusion of affordable housing in market-rate developments or payment of a fee to capitalize our affordable housing programs.

We've also enhanced our land-use incentives through the Transit Oriented Communities program and Measure JJJ, which work in tandem with the Linkage Fee, resulting in more mixed-income developments. We've piloted innovative preservation programs and reinstated our moderate income homeownership program to combat displacement.

We are strongly advocating for tenant rights both in Sacramento and City Hall, establishing a tenant rights awareness campaign and strengthening our local rent-stabilization ordinance, as well as establishing the aforementioned eviction defense program, and supporting tenant protection laws like AB1482 (an anti-rent gouging and rent cap law) and an anti-discrimination law for rental assistance programs such as Section 8.

We are firmly committed to housing innovation. Our administration is currently focused on several initiatives that encourage alternative methods to deliver housing solutions in a more cost effective and timely manner. First is the implementation of the \$120 million Proposition HHH Housing Challenge to fund alternative construction and finance models for supportive housing.

Finally, our local response to homelessness is in part focused on the epicenter of this crisis, the Skid Row area. This is where extreme poverty cuts the deepest, where the greatest need is concentrated, and where we have to get the strongest handle on issues of public health.

That is why the City has a place-based strategy in Skid Row for the first time in its history. With the initial State funds that we received last year, we directed \$20 million to the following projects and initiatives:

- Three new interim housing programs that equate to roughly 200 beds for single adults and families
- Increased hygiene infrastructure, with six new water fountains, mobile shower services, the new Skid Row Clean Team (which hires among currently and formerly homeless Skid Row residents), additional sharps collection stations, and eight new dumpsters strategically placed throughout Skid Row for easy access
- Two additional Homeless Engagement Teams, and drastically expanded outreach capacity, so that we can continue improving and expanding outreach on Skid Row, and move homeless Angelenos indoors as quickly as possible.

The new \$2 million Skid Row Clean Team program, which will employ about 20 residents of Skid Row to provide trash pickup five days a week, started this month. This

effort is coordinated with additional sanitation services already provided in the area—helping us to move us closer to our shared vision of a cleaner, safer Skid Row.

The employment opportunities that focus on cleanliness are extremely important, as public health is of grave concern on Skid Row. While levels of flea-borne typhus have returned to baseline in the Skid Row area, that doesn't mean our work is done—far from it. Additional ways in which we have made public health a top priority in Skid Row is through the ReFresh Spot, a personal care center that provides showers, toilets, and laundry facilities for Angelenos experiencing homelessness. The ReFresh Spot delivers over 600 units of service per day.

Supports and Services

Given the diversity of needs within the homeless population, it is challenging to identify a singular service or support that is more effective than others to quickly resolve a person's homelessness. At a fundamental level, we know that an effective response is both systems-oriented and housing-oriented.

In Los Angeles, our homeless service system has grown to a level of sophistication where it has successfully more than doubled the rate at which it housed those experiencing homelessness since 2014. We have achieved this by adopting a standardized assessment tool for all “front doors” of the system to use, ensuring that households are recommended for a housing intervention of best fit, working systemically to reduce the barriers to accessing the recommended housing intervention, and leveraging the social safety net of resources to help a person retain the housing they're placed.

In Los Angeles, we are deploying interventions that represent national best practices and were highlighted by the President of the National Alliance to End Homelessness, Nan Roman, at its recent annual conference:

- improved outreach efforts,
- low barrier housing-focused shelters,
- homeless diversion programs,
- targeted employment programs, and
- permanent housing placements, including rapid re-housing, permanent supportive housing, and new innovative housing models.

Moreover, homeless services have shifted from being site-based to field-based, with service teams on the streets engaging people in encampments to reduce barriers to

access. Given the overwhelming number of people living in unsheltered conditions, our systemic response has found that case management engagements need to be mobile. It is not uncommon for an outreach team to have a van outfitted with a printer, copier, and various office supplies.

Baked into effective supports and services are core evidence-based philosophies: housing-first, harm reduction, and trauma-informed care. To summarize, the goal of our work is based on a philosophical approach to service that focuses on reducing the obstacles that block a person's path to housing, and helps them safely access the assistance they need to obtain an affordable housing option meant to permanently end a person's homelessness. Ultimately, in Los Angeles, we believe that with the right level of supports attached, any person can thrive indoors.

Subpopulations and Targeted Responses

According to the 2019 Point-in-Time Count, almost all vulnerable subpopulations in the region saw increases in homelessness, including women, youth, families, the chronically homeless, and senior citizens; and while veterans homelessness remained relatively flat this year, the region is continuing to target resources to address homelessness among this population as well.

Countywide, we saw youth homelessness increase by 22%. This is an alarming trend as we must do what we can to ensure our newly homeless youth of today do not become the chronically homeless adults of tomorrow. Homeless youth are assessed with a tailored tool called the "next-step tool." We understand that family reunification, shared housing, and employment interventions can be especially effective. We also know that youth who have had system involvement are more likely to experience homelessness, particularly with the foster care system. We are supportive of efforts by our County partners to identify this as a feeder system to homelessness, and embed housing-focused services to prevent episodes of homelessness, but we recognize that much more work needs to be done in this area.

As service providers and policy makers, we know that each of these subpopulations requires different and tailored approaches in addressing homelessness. LAHSA is home to a number of ad hoc committees focusing on the needs of specific subpopulations, including women and Black Angelenos.

How We Have Targeted Federal, State, and Local Funds

The federal housing safety net is absolutely critical to the success of the local resources we have created in Los Angeles. Every local dollar we spend is leveraging a federal housing program. For instance, the City subsidizes supportive housing at about \$145,000 per unit through our \$1.2 billion Proposition HHH program. With every local dollar spent, we leverage another \$4 from private investment through the Low Income Housing Tax Credit program and other federal and state capital programs.

We also project-base federal housing choice vouchers on every supportive housing unit we build, which causes more constraints on the roughly 50,000 housing choice vouchers the city has through its housing authority. Right now, a little more than one third of our Section 8 portfolio is devoted to homelessness initiatives. That means that every year, it is more and more difficult for a low-income family that is teetering on the verge of homelessness to obtain a Section 8 voucher.

National homelessness and housing experts agree that the Los Angeles region has served as a model for program and policy implementation in locally managing the homelessness crisis. Voters in the City of Los Angeles have taxed themselves since 2017 to contribute to Proposition HHH, a \$1.2 billion bond that supports the building of up to 10,000 permanent supportive housing units. The first two Proposition HHH-funded housing projects will open this fall, and projects using Proposition HHH funds for facilities have already begun opening. The City has also committed over \$80 million to our interim housing initiative, A Bridge Home. Through A Bridge Home, the City is working to establish temporary housing shelters across the City's 15 Council Districts. There are currently four A Bridge Home sites open now, with an estimated 22 to open by the end of this current fiscal year.

Residents of the County of Los Angeles have also increased funding through the passage of Measure H, which contributes tax dollars to three key categories of work directed to ending homelessness: offering prevention programs to keep vulnerable Angelenos out of homelessness, placing individuals into permanent housing, and funding services at bridge housing sites. This measure contributes about \$355 million annually, and is integral to providing, in part, the necessary supportive services that homeless and economically-impacted individuals need concurrently while receiving housing.

Our local and regional investments have had a significant impact in stemming increases in homelessness in Los Angeles. Neighboring counties have experienced higher percentage increases up to 50% over the past year. However, any increase in homelessness is unacceptable. The State of California has impressively responded to

this by investing surplus budget funds through its Homeless Emergency Aid (HEAP) and Homeless Housing, Assistance, and Prevention Program (HHAPP) funding. Since 2018, California has distributed \$500 million in homelessness and housing funding across the state, prioritizing regions that are overwhelmingly impacted by the crisis. The City of Los Angeles received \$85 million in HEAP funding last year, using it towards bridge housing, supportive services, youth programming, and devoting \$20 million for programs and services targeting our most impacted neighborhood, Skid Row in downtown Los Angeles. My office also used administrative funds to stand up an entire policy team devoted solely to homelessness, bringing together experts in interim and permanent housing and in City services to ensure that every step on the path towards housing—from unsheltered living on the street, to sheltered stays, to a permanent home—is met with safety, security, and empathy in mind.

While the City and County of Los Angeles and the state of California commit to unprecedented levels of new investments into homelessness and housing strategies, the City continues to leverage investments by the federal government through the series of grants known as the Consolidated (Con) Plan, consisting of the Community Development Block Grant (CDBG), the Emergency Solutions Grant (ESG), the HOME Investment Partnerships Program, and Housing Opportunities for Persons Living with AIDS (HOPWA). In 2018, the City's Housing and Community Investment Department (HCIDLA) published its latest five-year Consolidated Plan, outlining the expected expenditures of these funds.

The Con Plan is focused on achieving the following six goals while leveraging federal funds:

1. Develop affordable housing for homeless and low-income Angelenos
2. Preserve existing affordable housing
3. Stabilize and revitalize neighborhoods
4. Prevent and reduce homelessness and domestic violence
5. Improve the local economy for low-income residents
6. Help low-income families to stabilize economically

Similar to our team's strategies in managing active homelessness, the Con Plan focuses on ensuring that the affordable housing pipeline is continuing to receive investments for growth and preservation. As well, homelessness prevention is a key focus of the Con Plan. The City aims to create nearly 4,000 jobs through Con Plan funds, collaborating with my Office and interdepartmentally to strengthen workforce development programs such as the City's signature WorkSource Centers. By offering key vulnerable populations—particularly victims of domestic violence—the chance to

develop entrepreneurial skills while receiving shelter, those who are more at risk of becoming homelessness can stabilize before entering the unsheltered cycle.

How Congress Can Address the Homelessness Crisis

The Chair's proposed bill, HR 1856 (The Ending Homelessness Act of 2019), would single-handedly begin to reverse the long-standing trend of disinvestment in California and nationwide. By investing \$750 million in permanent supportive housing alone across our country, programs that are desperate for funding to keep up with the need for affordable and permanent supportive housing can once again contemplate having the ability to provide units for those that need them. The potential passage of this bill would serve as a welcome re-engagement by federal government to serve all Americans who deserve a roof over their heads, for the simple fact of living in a country that should provide for all of us.

This bill would also fund much-needed incremental housing choice vouchers, which is a critical tool to make our supportive housing programs work locally and to provide deeply affordable housing for our most vulnerable families. Nationally, we saw that when Congress agrees to fund incremental vouchers for homeless veterans, veterans homelessness began to be eliminated in many states, and indeed declined in Los Angeles.

These programs work. However, they are woefully underfunded and have been for decades. We believe HR 1856 will stem and change the tide of these trends that have in part led to the homelessness crisis we see today.

Conclusion

I thank you for giving us—the City of Los Angeles and my Administration—the opportunity to review our work in ending homelessness in this great City. With the leadership of Chairwoman Waters and Members of this Committee, we look forward to seeing what Congress can and will accomplish in the years ahead in helping us to end this crisis. We need your help, now, to keep Angelenos safe, healthy, and housed.