

REPORT OF THE CHIEF LEGISLATIVE ANALYST

July 24, 2007

TO: Honorable Members of the Ad Hoc Committee on Homelessness

FROM: Gerry F. Miller *by J. Gaur*
Chief Legislative Analyst

Ad Hoc Committee on Homelessness Working Group

SUMMARY

On April 25, 2007 the Ad Hoc Committee on Homelessness (Committee) instructed the Chief Legislative Analyst (CLA) to convene a working group comprised of a representative from the office of the Committee Chair, the City Administrative Officer (CAO), Los Angeles Housing Department (LAHD), Los Angeles Homeless Services Authority (LAHSA) and the Mayor's Office to discuss and summarize the work of this Committee to date and make recommendations for the work of the Committee for the next six months. This report represents a summary of working group meetings and includes recommendations for Committee and Council consideration.

The Ad Hoc Committee on Homelessness was established in December 2005, pursuant to a Motion (Rosendahl - Perry - Greuel) to highlight the issue of homelessness in the City of Los Angeles. Since its establishment, the Committee has successfully advocated for increased coordination and resources for the homeless.

Accomplishments and activities of the Ad Hoc Committee on Homelessness to date:

1. Expansion of homeless shelter beds:

A Motion (Perry - Rosendahl) was considered by the Committee on October 25, 2006 requesting Council to prioritize funding for homeless programs, including, but not limited to expanding the City's current capacity of emergency shelter beds and the expansion of the Streets or Services (SOS) program in the Community Development Block Grant reprogramming process (C.F. 06-2440). In response to this Motion, Council adopted the recommendations of the Committee to identify a budget and source of funds for the expansion of homeless services, including emergency shelter on February 7, 2007.

Funds were subsequently identified in the 2006-07 (32nd Program Year) Community Development Block Grant (CDBG) Consolidated Plan reprogramming process to fund 200 new homeless shelter beds through June 30, 2008 (C.F. 06-0100-S12). Further, the 2007-08 (33rd Program Year) CDBG Consolidated Plan identified additional funding to maintain more than 200 winter shelter beds through June 30, 2007.

Similarly, the Community Redevelopment Agency (Agency) provided approximately \$1.5 million to maintain beds and services for the homeless provided by Single Room Occupancy (SRO) Housing Corporation in the Skid Row Area of downtown Los Angeles. This program provides job training for clients in association with the maintenance of 13 hotels, two parks and a community center operated by SRO Housing Corporation.

These and other efforts have resulted in funding for more than 400 additional homeless shelter beds in the past year.

2. Streets or Services Program Expansion

A report is pending before this Committee in response to the Motion (Perry - Rosendahl) which recommends the allocation of approximately \$830,000 to provide dedicated shelter beds and supportive services for participants in the Streets or Services (SOS) Program. This program currently operates at the Los Angeles Police Department's (LAPD) Central Station and provides homeless individuals arrested for "quality of life," misdemeanor offenses with the option of participating in a shelter and service plan as an alternative to prosecution. In the absence of shelter and services dedicated to SOS participants, the Resource Coordinator has been largely reliant upon the availability of existing services, which are scarce, and not always sufficient to meet the needs of SOS participants.

3. Mental Health Services Act (Proposition 63)

The Committee has agendized updates and discussions relative to the County's implementation of the Mental Health Services Act (Proposition 63). Since these funds are provided to the County of Los Angeles, ongoing monitoring of the implementation of this program is essential to ensure that City residents who need services provided with Proposition 63 funds are able to benefit from them.

4. Efforts to facilitate better City/County cooperation

The Committee has been successful in securing ongoing participation from County agencies, including, but not limited to, the County Department of Mental Health (DMH), the District Attorney, and Sheriff's Department. These departments have appeared before the Committee when requested to provide information relative to County efforts to address homelessness and how to coordinate and leverage resources.

5. Homeless patient dumping in the Skid Row area of downtown Los Angeles

This issue was addressed by the Committee on April 21, 2006 in response to a Motion (Perry - Greuel). The City Attorney was present in Committee to discuss efforts to address this issue and has since filed charges against hospitals that have discharged homeless patients to Skid Row without confirmation that appropriate services were available to these patients.

6. Permanent Supportive Housing Program (PSHP)

The working group discussed the Permanent Supportive Housing Program (PSHP) and discussed potential improvements to the program for future rounds of funding. These recommendations are discussed below.

Recommendations for future Committee focus:

The following recommendations are based on the discussions of the working group:

1. Permanent Supportive Housing Program recommendations:

A number of recommendations to enhance the City's the Permanent Supportive Housing Program (PSHP) were discussed by the working group and are presented below. The PSHP is designed specifically to fund the development and operation of housing and supportive services for formerly homeless individuals and families.

a. *Identification of a permanent source of funding for the Permanent Supportive Housing Program*

The original allocation of funds for this program was \$50 million. In order to ensure that a continual supply of this type of housing is made available to the City's homeless population, a permanent source of funds (i.e. a trust fund) should be identified.

b. *Create a system to refer clients in City homeless shelters to new units constructed with City funds through the Permanent Supportive Housing program*

As PSHP units are completed, these units should be made available to homeless individuals and families utilizing the City's emergency shelter program. Shelter providers are required to provide case management and other services that assist clients to become ready to maintain permanent housing. The Los Angeles Housing Department (LAHD) has agreed to include a preference in future PSHP Notices of Funding Availability (NOFA) for applicants that demonstrate a plan to market units constructed with PSHP funds to City emergency shelter clients.

c. *Actively seek opportunities for service commitments for PSHP projects*

Permanent Supportive Housing (PSH) requires funding for construction, operating expenses and supportive services. While the City controls funding for construction and operating subsidies in the form of Section 8 vouchers, the City does not typically receive funding for supportive services. The LAHD reports that the Los Angeles County Special Needs Housing Alliance (Alliance) has agreed to cooperate with the Department by reviewing service plans submitted with PSHP applications for funding. The Alliance was established by the County to facilitate better coordination between the many County Departments that provide housing and services to special needs populations, including the homeless.

Participation by the Alliance in the review of PSHP service plans will assist the LAHD to determine whether such plans are feasible and appropriate for the population served, however at this time, the County has not committed funding for services associated with PSHP projects.

We recommend that the LAHD be instructed to report to the Ad Hoc Committee on Homelessness within sixty (60) days relative to:

- a. status of County participation in 2007 PSHP Notice of Funding Availability (NOFA);
- b. potential for the County of Los Angeles to commit services or funding for services associated with PSHP projects;
- c. status of ongoing funding for the PSHP; and
- d. modifications to the PSHP NOFA to better facilitate access to PSHP-funded units for clients of City homeless shelters.

2. Review funding commitments for emergency shelter and services

As described above, Council has made significant funding commitments to expand shelter and services for the homeless in the past year. These commitments, however, have typically come from program savings, which may or may not be available for this purpose in the future. In order to avoid repeated funding deficits, the Committee should proactively review all existing funding commitments to homeless shelter and services and formulate a plan to provide continuous funding.

We recommend that the Los Angeles Homeless Services Authority be instructed to report to the Committee within sixty (60) days with an analysis of all City funding for homeless shelter and services and provide recommendations for ongoing funding strategies and allocations.

3. Monitor and adopt a City position relative to State and Federal legislation relative to funding for homeless programs

The Mayor's Office reported to the Working Group relative to the status of Federal legislation that would reauthorize funds for McKinney-Vento homeless assistance and Section 8 housing assistance programs. This legislation is pending before Congress. The State legislature has also considered a number of measures which would impact the homeless in Los Angeles in the past year. We recommend that Council instruct the CLA to meet with the Mayor's Office and report to Council with recommendations relative to an official City position on this legislation.

4. Further facilitate ongoing cooperation between the City and County

As noted above, the Committee has been successful with facilitating County participation at several meetings. The working group discussed several ways the City could pursue better coordination with the County to achieve improved services for the homeless. These include the following:

- a. *LAHD participation in County Special Needs Housing Alliance (see above)*

- b. *Consider targeted effort toward chronically homeless individuals*
The County has undertaken an effort to identify 5,000 chronically homeless individuals who are frequent users of public services, such as emergency rooms for medical care and other immediate needs. Recent research has shown that providing targeted services to such individuals is effective in improving their quality of life and generates significant savings by avoiding usage of expensive services. City cooperation in this effort could be accomplished through existing programs, such as the PSHP and homeless Section 8 voucher program.

We recommend that the Los Angeles Homeless Services Authority be instructed to report to the Ad Hoc Committee on Homelessness in sixty (60) days relative to strategies for the City to cooperate with County efforts to target chronically homeless individuals identified as frequent users of public services.

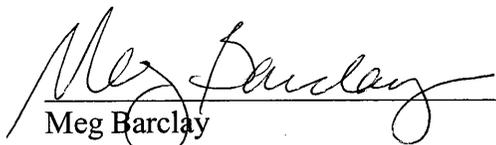
RECOMMENDATION

That the Council:

1. Instruct the LAHD to report to the Ad Hoc Committee on Homelessness within sixty (60) days relative to the Permanent Supportive Housing Program (PSHP) with the following:
 - a. status of County participation in 2007 PSHP Notice of Funding Availability (NOFA);
 - b. potential for the County of Los Angeles to commit services or funding for services associated with PSHP projects;
 - c. Department participation on the Los Angeles County Special Needs Housing Alliance;
 - d. status of ongoing funding for the PSHP; and
 - e. modifications to the PSHP NOFA to better facilitate access to PSHP-funded units for clients of City homeless shelters;
2. Instruct the Los Angeles Homeless Services Authority to report to the Committee in sixty (60) days with the following:
 - a. analysis of all City funding for homeless shelter and services and provide recommendations for ongoing funding strategies and allocations; and
 - b. strategies for the City to cooperate with County efforts to target chronically homeless individuals identified as frequent users of public services.
3. Instruct the CLA to work with the Mayor's Office and report to Council with recommendations relative to official City position on pending State and Federal legislation addressing homeless services, including reauthorization of Federal funds for the homeless.

FISCAL IMPACT

There is no impact to the General Fund resulting from this action.


Meg Barclay
Legislative Analyst