The “No Place Like Home” Initiative

California Senate Comprehensive Budget Plan to Prevent and Address Homelessness in our Local Communities

Owning a home has traditionally been viewed as the center tentpole of the American Dream. Yet – even at a time of continued overall economic growth -- for millions of Californians, obtaining and maintaining stable housing has proven increasingly challenging.

Homelessness is not just a social-justice issue that affects a handful of distressed communities or major urban centers. It is a fundamental economic, public health, public safety and quality-of-life issue that impacts families, businesses, cities and counties in every part of California.

And the related problems are becoming more costly and prevalent.

In response, a bipartisan coalition of members from the California State Senate today is introducing a comprehensive and first-of-its kind “No Place like Home” initiative to assist local communities in preventing and addressing homelessness.

This unprecedented policy framework builds on years of research and best practices – and is guided by the core belief that no individual or family in California should ever experience the uncertainty and pain of living without a home – and, to our local communities, the cost of doing nothing is far greater than the preventative cost of providing housing and coordinated services.

The Senate proposal is crafted with the understanding that fighting modern homelessness – with long-term solutions, not short-term band-aids -- requires a localized approach sustained by a strategic statewide commitment.
Our proposals will empower local governments with additional resources and flexibility to better serve homeless individuals and families, increase access to affordable housing, address the effects of income inequality and, and extend proven programs for homeless who are either disabled or in need of mental-health assistance.

We see the unfortunate reality of California’s stratified economy on our streets every day. Our state has the nation’s largest homeless population while at the same time ranking as the seventh largest economy of the world. The 114,000 total homeless people who live across our state make up 22 percent of the nation’s homeless population, with Los Angeles holding the dubious ranking of the homeless capital of the country with nearly 42,000 homeless residents. Homelessness affects our businesses, safety, government resources, but most of all, it flies in the face of the compassion we aspire to as Californians.

This session, the Senate is focused on policies that lift up all Californians, especially the least fortunate and most vulnerable among us. Until now, the state has had a limited role tackling homelessness because it has technically been dealt with at the local and county level. With this budget proposal the state will now secure progress on tackling homelessness through an unprecedented amount of funding support and expansion of programs to make services more accessible on the ground.

Many effective programs to deal with homelessness have unfortunately stalled at the local and county level and many Californians that need access to critical services are left helpless because they don’t have a registered address. There is even more urgency to get people into shelter with El Niño storms fast approaching.

Even though cities and counties officials have the on-the-ground perspective to assess and respond to conditions that contribute to homelessness in their areas, the state must also provide them the tools to stay at the forefront and maintain access to support services, treatment, housing, and jobs.
The Senate Budget Plan on Homelessness re-purposes Prop. 63 bond money and creatively leverages billions of additional dollars from other local, state, and federal funding to achieve the following goals:

**Housing:**

- $2 billion bond to **construct permanent supportive housing for chronically homeless persons with mental illness.**

- $200 million, over 4 years, to provide **supportive housing in the shorter-term, rent subsidies**, while the permanent housing is constructed or rehabilitated.

- **Support for two special housing programs that will assist families:**

  The “Bringing Families Home” pilot project, a county matching grant program to reduce homelessness among families that are part of the child welfare system.

  The CalWORKs Housing Support Program, which provides housing and support services for CalWORKs families in danger of homelessness.

**Income support and outreach:**

- An increase in Supplemental Security Income/State Supplementary Payment (SSI/SSP) program grants which provide income support for the aged, blind, and disabled poor who cannot work.

  Rates of homelessness are **higher for persons with disabilities who cannot work; SSI/SSP is intended to help them make ends meet, and a large portion of grants usually goes toward rent.**

  These increases will assist about 1.3 million low-income Californians (72% with disabilities and 28% who are elderly).

- A one-time investment to incentivize local governments to boost outreach efforts and advocacy to get more eligible poor people enrolled in the SSI/SSP program.
The federal government covers 72% of the total costs of the SSI/SSP program, so state and local benefits are multiplied significantly for each newly eligible recipient.

The Senate is urging immediate action on this proposal in the upcoming budget process. The Senate budget proposal is multi-pronged, attacking homelessness with immediate and longer-term resources, while leveraging existing local, state, and federal dollars. The competitive grants will also put in place checks and safeguards to ensure cities and counties are using the additional revenue in the most efficient way possible.

California also has more than one third of the nation’s chronically homeless – those with mental illness or other significant problems, and an even higher percentage among homeless women. Of the 28,200 chronically homeless in California, nearly 85 percent are unsheltered with this group absorbing the greatest amount of taxpayers’ resources, often topping $100,000 annually per person in public costs for emergency room visits, hospital stays, law enforcement, and other social services.

The Senate budget proposal supports a “housing first” strategy. Many homeless advocates and social service experts prefer this approach which has been used successfully in other states because it provides safe, secure housing creates an environment that allows for wrap-around services, such as mental health treatment, to take hold. Studies show homelessness aggravates mental illness, making it more difficult to reach and house those with the greatest need of shelter and treatment.

For a homeless person living without shelter, the key to a home could very well open a future that holds hope for restored health and successful reintegration into society.

There are local programs, such as Project 25 in San Diego, which are successfully housing, treating, and transitioning chronically homeless clients back into society. Project 25 is a 3-year-pilot program funded by the United Way of San Diego and led by St. Vincent de Paul which uses the housing first model as a means of intensive case management and delivery of psychiatric and medical care to several dozen clients. Project 25 is paying dividends for the taxpayers. In two years the annual public costs related to participants of Project 25 were reduced nearly 63 percent, to $1.6 million from $4.3 million.
Finding housing for the chronically homeless is an important and humane step in making the best use of local and state resources. Doing nothing hurts the state fiscally and also morally.

Learn more about the Senate budget proposal to tackle homelessness, including Q&A, visit here.
REPORT OF THE
CHIEF LEGISLATIVE ANALYST

DATE: January 12, 2016

TO: Honorable Members of the Rules, Elections, Intergovernmental Relations and Neighborhoods Committee

FROM: Sharon M. Tso
Chief Legislative Analyst

Council File No: 15-0002-S116
Assignment No: 16-01-0018

SUBJECT: Resolution (O’Farrell – Wesson – Harris-Dawson – Huizar) in support of funding for permanent supportive housing, including the use of Mental Health Services Act (MHSA) funds.

CLA RECOMMENDATION: Adopt the attached revised Resolution to include in the City’s 2015-2016 State Legislative Program SUPPORT/SPONSORSHIP of any legislation and/or administrative action to provide additional funds for permanent supportive housing, including the No Place Like Home Initiative (De León) which would re-purpose Proposition 63 (MHSA) bond money for housing, income support and outreach to prevent and address homelessness.

SUMMARY
On December 16, 2015, Resolution (O’Farrell – Wesson – Harris-Dawson - Huizar) was introduced to support/sponsor any legislation that would provide additional funds for permanent supportive housing, including the potential to use Mental Health Services Act (MHSA) funds.

The Resolution states that the need for affordable and permanent supportive housing for the homeless is dire in the City of Los Angeles and statewide. The Resolution indicates that the 2015 Los Angeles Homeless Services Authority (LAHSA) Homeless Count revealed that there are 25,686 homeless individuals living in the City of Los Angeles. The Resolution adds that the Homeless Count also reports that 8,163 individuals (approximately 32 percent of the homeless population) suffer a form of mental illness and 6,255 individuals (approximately 24 percent of the homeless population) suffer from substance abuse issues. The Resolution adds that with the dissolution of the California redevelopment agencies, the City’s available resources to fund affordable housing projects has decreased by approximately $50 million annually.

The Resolution affirms that any solution to the homeless crisis must involve the creation of permanent supportive housing. The Resolution notes that the County of Los Angeles approved a Motion (Kuehl-Ridley-Thomas) which requested the exploration of leveraging MHSA funds and other sources to incrementally fund up to $100 million by FY 2020-21 in an Affordable Housing Programs Fund. The Resolution adds that in November 2004 California voters passed Proposition 63 (MHSA), authored by former California Senator President Pro Tem Darrell Steinberg, which provides a permanent revenue stream for mental health services and permanent supportive housing by placing one percent tax on the adjusted gross income of Californians earning $1 million or more. The Resolution states that the MHSA may be amended by two-thirds of the California State Legislature to further the intent of the act.
The Resolution further states that the State should explore all fiscal options to enhance the use of MHSA funds for permanent supportive housing including, but not limited to, issuing State bonds or general fund allocations.

The Resolution concludes by recommending that the City include in its 2015-2016 State Legislative Program SUPPORT/SPONSORSHIP of any legislation to provide additional funds for permanent supportive Housing, including the potential to use MHSA funds.

BACKGROUND
According to LAHSA, in Los Angeles the homeless population has increased from 22,993 to 25,686 (12 percent) since 2013. In addition, Los Angeles is last out of 20 major metropolitan regions in the country in producing housing. The Council is currently considering the Comprehensive Homeless Strategy report, C.F. 15-1138-S1, which recommends that additional funding for housing be identified. The No Place Like Home Initiative is a State Senate legislative package to prevent and address homelessness in local communities by re-purposing Proposition 63 (MHSA) bond funds for housing, income support and outreach for the homeless.

The No Place Like Home Initiative
Subsequent to the introduction of Resolution (O’Farrell – Wesson – Harris-Dawson - Huizar), the California State Senate President Pro Tempore and a bipartisan coalition of members from the California State Senate introduced a budget proposal, the No Place Like Home Initiative, which would assist local communities in preventing and addressing homelessness. The proposed initiative sets forth a policy framework to empower local governments with additional resources and flexibility to better serve homeless individuals and families, increase access to affordable housing, address the effects of income inequality, and extend proven programs for homeless who are either disabled or in need of mental-health assistance.

According to the State Senate President Pro Tempore, the Senate proposal is supportive of a “Housing First” strategy which is consistent with homeless advocates and social service experts whom prefer this approach. Housing First consists of providing and securing housing with wrap-around services for the homeless which has been used successful in other states. The State Senate President Pro Tempore indicates that California has the nation’s largest homeless population with 114,000 total homeless people of which this makes up 22 percent of the nation’s homeless population. Los Angeles County leads the country with 42,000 homeless residents.

The No Place Like Home Initiative would re-purpose Proposition 63 bond funds and leverage billions of additional dollars from other local, state, and federal funding sources. Proposition 63 (MHSA), approved by voters in 2004, imposes a one percent tax on residents making more than $1 million dollars per year. These monies are allocated to provide services to Californians living with debilitating mental illnesses. The No Place Like Home Initiative is a State Senate legislative package to prevent and address homelessness with the goal of providing additional housing, income support and outreach. Additional details below:

**Housing**
- $2 billion bond to construct permanent supportive housing for chronically homeless persons with mental illness.
- $200 million, over 4 years, to provide supportive housing in the shorter-term, rent subsidies, while the permanent housing is constructed or rehabilitated.
- Support for two special housing programs that will assist families:
The “Bringing Families Home” pilot project, a county matching grant program to reduce homelessness among families that are part of the child welfare system; and

- The CalWORKs Housing Support Program, which provides housing and support services for CalWORKs families in danger of homelessness.

**Income Support and Outreach**

- An increase in Supplemental Security Income/State Supplementary Payment (SSI/SSP) program grants which provide income support for the aged, blind, and disabled poor who cannot work. Per the State Senate proposal, rates of homelessness are higher for persons with disabilities who cannot work; SSI/SSP is intended to help them make ends meet, and a large portion of grants usually go toward rent. These increases will assist about 1.3 million low-income Californians (72% with disabilities and 28 percent who are elderly).

- A one-time investment to incentivize local governments to boost outreach efforts and advocacy to get more eligible poor people enrolled in the SSI/SSP program. According to the State Senate proposal, the federal government covers 72 percent of the total costs of the SSI/SSP program, so state and local benefits are multiplied significantly for each newly eligible recipient.

Under the proposed No Place Like Home Initiative over $2 billion will be leveraged to address homeless in a multi-pronged approach that involves collaboration among the local, state, and federal government levels. The proposed initiative will make significant efforts at increasing affordable housing stock for the chronically homeless. According to the State Senate President Pro Tempore, nearly 85 percent of the 28,200 chronically homeless are unsheltered and estimates indicate that this group absorbs approximately $100,000 annually per person in public costs for emergency room visits, hospital stays, law enforcement and other social services.

Additionally, the State Senate President Pro Tempore notes that local programs such as Project 25 in San Diego have successfully housed, treated, and transitioned chronically homeless individuals into society. Project 25 is a three-year pilot project that uses the Housing First Model as a means of intensive case management and delivery of psychiatric and medical care to clients. In two years, the annual public costs associated with Project 25 participants has decreased by nearly 63 percent. Under the proposed initiative, monies will be able to be used in such fashion.

The Housing and Investment Community Department supports the No Place Like Home Initiative. The department recommends that the State conduct periodic audits and report on how funds are to be allocated and include efforts to promote a geographic balanced distribution of funds based on the percentage of homeless among the population. Supporters of the initiative include the Shelter Partnership, Corporation for Supportive Housing, and the South LA Homeless Alliance.

Support for the No Place Like Home Initiative is consistent with current Council actions to support legislation and/or action that supports funding for both affordable and permanent supportive housing.

**DEPARTMENTS NOTIFIED**
Housing and Community Investment
Los Angeles Homeless Services Authority
We recommend that the Council adopt the revised resolution which incorporates support for the No Place Like Home Initiative, which was announced after the Resolution was introduced.

Gabriel R. Salazar
Analyst

SMT:IS:JW
Attachment: 1. Revised Resolution
RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the need for affordable and permanent supportive housing for the homeless is dire in the City of Los Angeles as well as statewide; and

WHEREAS, according to the 2015 Los Angeles Homeless Services Authority (LAHSA) Homeless Count, there are 25,686 homeless individuals living in the City of Los Angeles; and

WHEREAS, the 2015 LAHSA Homeless Count notes that 8,163 individuals or almost 32 percent of the homeless population suffers a form of mental illness; and

WHEREAS, the 2015 LAHSA Homeless Count also notes that 6,255 individuals or 24 percent of the homeless population suffers from substance abuse issues; and

WHEREAS, since the dissolution of the California redevelopment agencies, the City’s available resources to fund affordable housing projects have decreased by approximately $50 million; and

WHEREAS, any solution to the homelessness crisis must involve the creation of permanent supportive housing; and

WHEREAS, both the City and County have recently committed to identifying a significant amount of funding to house the homeless population; and

WHEREAS, the Los Angeles County Board of Supervisors approved a Motion (Kuehl-Ridley-Thomas) to explore leveraging Mental Health Services Act (MHSA) funds and other sources to incrementally fund up to $100 million by FY 2020-21 in an Affordable Housing Programs fund; and

WHEREAS, in November 2004, California voters passed Proposition 63, the MHSA, which provides a permanent revenue stream for mental health services and permanent supportive housing by placing a one percent tax on the adjusted gross income of Californians earning one million dollars or more; and

WHEREAS, the California Department of Health Care Services is mandated by MHSA to continually revise program elements in order to reflect what is learned about the most effective prevention and intervention program for children, adults, and seniors; and

WHEREAS, all provisions of the MHSA may be amended by two-thirds of the California State Legislature to further the intent of the Act; and

WHEREAS, the State should explore all fiscal options to enhance the use of MHSA funds for permanent supportive housing including, but not limited to, issuance of bonds or general fund allocations; and

WHEREAS, the California State Senator Pro Tempore has proposed a legislative package the No Place Like Home Initiative (De León) which would re-purpose Proposition 63 (MHSA) bond money for housing, income support and outreach for the homeless;
NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2015-2016 State Legislative Program SUPPORT/SPONSORSHIP of any legislation and/or administrative action to provide additional funds for permanent supportive housing, including the No Place Like Home Initiative (De León) which would re-purpose Proposition 63 (MHSA) bond money for housing, income support and outreach to prevent and address homelessness.
RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS, AND NEIGHBORHOODS COMMITTEE REPORT and RESOLUTION relative to establishing the City's position regarding legislation to provide additional funds for permanent supportive housing, including the use of Mental Health Services Act (MHSA) funds.

Recommendation for Council Action, as initiated by Resolution (O'Farrell - Wesson - Huizar - Harris-Dawson), SUBJECT TO THE CONCURRENCE OF THE MAYOR:

ADOPT the accompanying revised RESOLUTION to include in the City's 2015-16 Federal Legislative Program SUPPORT/SPONSORSHIP of any legislation and/or administrative action to provide additional funds for permanent supportive housing, including the No Place Like Home Initiative (De Leon), which would re-purpose Proposition 63 (MHSA) bond money for housing, income support, and outreach to prevent and address homelessness.

Fiscal Impact Statement: None submitted by the Chief Legislative Analyst. The City Administrative Officer has not completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a special meeting held on January 13, 2016, the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee considered Resolution (O'Farrell - Wesson - Huizar - Harris-Dawson) and a report and revised Resolution from the CLA dated January 12, 2016 relative to establishing the City's position regarding legislation to provide additional funds for permanent supportive housing, including the reprogramming or repurposing of MHSA bond money for housing, income support, and outreach to prevent and address homelessness. The CLA report, attached to Council file No. 15-0002-S116, provides additional background information and a summary of the Resolution.

Representatives of the CLA appeared before the Committee to provide an overview of the CLA's report, and were joined by the General Manager of the Los Angeles Housing and Community Investment Department who also provided comment on the matter.

After consideration and after providing an opportunity for public comment, the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee recommended that Council adopt the revised Resolution. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS, AND NEIGHBORHOODS COMMITTEE
<table>
<thead>
<tr>
<th>MEMBER</th>
<th>VOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>WESSON:</td>
<td>YES</td>
</tr>
<tr>
<td>HUIZAR:</td>
<td>ABSENT</td>
</tr>
<tr>
<td>HARRIS-DAWSON:</td>
<td>YES</td>
</tr>
</tbody>
</table>

REW
1/15/16
FILE NO. 15-0002-S116

-NOT OFFICIAL UNTIL COUNCIL ACTS-