

MOTION BY SUPERVISORS MARK RIDLEY-THOMAS AND SHEILA KUEHL

August 22, 2017

Leveraging Measure H Resources to Fund Permanent Supportive Housing, Rental Subsidies and Supportive Services Throughout Los Angeles County

The Los Angeles County (County) Chief Executive Office’s (CEO) Homeless Initiative conducted an inclusive and comprehensive planning process that generated 47 coordinated strategies unanimously adopted by the Board of Supervisors (Board) on February 9, 2016. Accompanying the strategies was a Countywide gaps analysis conducted by the Los Angeles Homeless Services Authority (LAHSA), which estimated that, based on the number of vulnerable homeless residents requiring the most intensive housing and services interventions, there was a gap of approximately 15,000 units of permanent supportive housing.

Permanent supportive housing is a proven solution to end homelessness that combines non-time limited affordable housing, rental/operating subsidies and supportive services. The combination provides affordable and safe rental housing that includes a customized package of home-based and community-based support services, such as health, mental health and substance use services, tailored to the needs of the resident. As

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a strong partner in the regional strategy to address homelessness, the Board is committed to funding these essential support services to complement permanent supportive housing units throughout the County.

On October 25, 2016, the Board unanimously approved a motion to report back on a Memorandum of Understanding (MOU) that would facilitate a coordinated Countywide strategy on production of permanent supportive housing, allocation of rent subsidies and provision of supportive services. At that time, the Board noted that an ongoing revenue measure would be critical if the County was to fully honor any long-term commitments to address the regional homeless crisis.

The passage of Proposition HHH in November 2016, which the Board endorsed, will allow the City of Los Angeles (City) to leverage resources and finance about 8,000-10,000 units of permanent supportive housing over the next 10 years. Additionally, the County's Community Development Commission (CDC) provides capital development funds for construction of permanent supportive housing set aside for homeless persons, and other special needs populations. Further, beginning in late 2018, the State of California's "No Place Like Home" bond will help finance permanent supportive housing units over multiple funding cycles across all 88 cities and unincorporated areas of the County.

On March 7, 2017, the voters in the County resoundingly passed Measure H, which will provide a steady and stable source of annual revenue to fund supportive services. A quarter-cent special sales tax, Measure H will generate \$355 million a year dedicated to addressing homelessness in the County over the next 10 years.

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As described in the ordinance accompanying the Measure H ballot initiative, revenue will be legally dedicated to fund core activities such as supportive services and intensive case management services to ensure the stability of persons eligible for supportive housing. One of the core strategies, D7 will provide targeted Measure H funds to ensure that whenever a housing unit is produced, using the capital funds mentioned above, and/or by setting aside rental assistance, the County will commit the appropriate combination of health, mental health and substance use services. The County's Health Agency has been working diligently over the last year to ensure that each person who resides in permanent supportive housing will receive a customized package of home-based and community-based services. To this end, the County is also leveraging federal, State and local funds available through Whole Person Care, the Mental Health Services Act and the Drug Medi-Cal Waiver. This regional approach and regional funding strategy will ensure that the County coordinates with all 88 cities therein to make significant progress towards providing safe and stable permanent supportive housing where the most vulnerable formerly-homeless persons can thrive.

Additionally, strategy B8 involves working with Public Housing Authorities (PHAs) across the County and forging a commitment to set aside rental assistance funds to provide stable housing for homeless persons. In tandem with strategy B8, strategy B4 provides incentives to encourage landlords to work with the PHAs that have set aside rental assistance funds to help house homeless persons in need of permanent supportive housing. The Housing Authority of the County of Los Angeles (HACoLA)/CDC has been

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diligently working on these strategies, and Measure H funding is poised to expand the network of PHAs setting aside rental subsidies for homeless individuals and families.

The need is urgent as the 2017 Point-in-Time Homeless Count estimated that, on any given night in the County, 17,531 residents are experiencing chronic homelessness, denoting lengthy spells of homelessness and long-term disabilities. This is a 20% increase since the 2016 Point-in-Time Homeless Count and points to the current deficit of supportive housing throughout the County. A standard MOU, similar to the attached template, will enable cities, agencies and stakeholders involved in the capital development, rental subsidies and provision of supportive services to leverage and coordinate resources in a streamlined and efficient manner to meet the regional need for permanent supportive housing.

WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

- 1) Direct and delegate authority to the Chief Executive Officer, or her designee, to negotiate, execute, and if necessary, amend or terminate, memoranda of understanding with cities and/or city public housing authorities in the County of Los Angeles (County), whereby County will agree to provide supportive services for each permanent supportive housing unit created by such cities, following approval as to form by County Counsel.

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(DW/CG/KK)

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE COUNTY OF LOS ANGELES and
THE CITY OF _____ and
THE HOUSING AUTHORITY OF THE CITY OF _____ [if applicable]

This MEMORANDUM OF UNDERSTANDING (“MOU”) is entered into this ____ day of _____, 2017 by and between the COUNTY OF LOS ANGELES, a subdivision of the State of California (“COUNTY”), the CITY OF _____ (“CITY”), a municipal corporation, and the Public Housing Authority of the City of _____ (“PHA”), for the purpose of establishing roles, responsibilities, and financial relationships necessary to align funding to create supportive housing in the City. COUNTY, CITY, and PHA will be referred to herein individually as “PARTY” and collectively as “PARTIES”.

PARTIES mutually agree to the following:

A. Term of Agreement

The term of this agreement will begin on the date of signature of all PARTIES, and will end ____ years following this date, unless extended upon mutual agreement of PARTIES.

B. PARTIES’ Responsibilities

PARTIES agree to the following responsibilities in creating supportive housing opportunities within CITY’s jurisdiction:

1. During the term of this MOU, CITY will facilitate supportive housing opportunities for tenants eligible for supportive housing through the following:
 - a. Creating _____ new supportive housing units over the course of the MOU through—
 - i. Capital financing, including—
 - A. Construction, and/or
 - B. Acquisition, and/or
 - C. Rehabilitation;
 - ii. Land donation; and/or
 - iii. Landlord incentive funds.
 - b. An expedited process for siting supportive housing, including by reducing or eliminating zoning restrictions and/or creating a fast-track process for permitting supportive housing.
2. During the term of this MOU, PHA will provide _____ Project-Based Vouchers and/or Tenant-Based Vouchers per year to tenants eligible for supportive housing.
3. COUNTY will provide, for each supportive housing unit created by CITY, the following:
 - a. Services to tenants, including—

- i. Intensive Case Management and Integrated Health Services (ICMS) and
- ii. Services to ensure a tenant's connection to appropriate medical, mental health, and substance use services; and/or
- b. Rental assistance, including Project-Based Vouchers and/or Tenant-Based Vouchers; and/or
- c. Landlord incentive funds.

C. Types of Supportive Housing to be Developed

For purposes of this MOU, as used herein, "supportive housing" shall be defined as a pairing of rental assistance and supportive services in either a single-site model or a scattered-site model, as defined below.

"Single-site model" means housing in which a site will be acquired and a building constructed or renovated for the purpose of providing apartments of a size and character that conform to applicable State and CITY laws and regulations. The supportive housing units developed in this fashion may be a part of a larger building.

"Scattered-site model" means existing apartments leased for the purposes of housing and serving the clients who are the recipients of this program, including in master-leased projects.

D. Supportive Services

PARTIES agree all housing and services provided to eligible recipients under this MOU shall follow Housing First principles.

Based on individualized assessment, COUNTY will fund appropriate services to each new unit of supportive housing, to include the following:

1. Services to engage and assess tenant needs, as well as create tenant-directed goals;
2. Intensive Case Management Services ;
3. Peer support activities;
4. Linkage to primary care, specialty mental health services, and substance abuse disorder services, as needed;
5. Benefits advocacy; and
6. Transportation planning and assistance to access off-site services and appointments.

COUNTY will establish and implement standards for the above-identified services in units created under this MOU, and may update those standards during the term of this MOU.

E. Geographic Diversity

PARTIES agree to develop policies to encourage the siting of supportive housing units. PARTIES agree, to the extent feasible, to accommodate tenant choice in where to live.

F. Tenant Selection

PARTIES agree to reserve tenancy for units created pursuant to this MOU for people with the greatest need for supportive housing, determined under tenant selection protocols developed by the Coordinated Entry System, and consistent with the regional priority population goals under the MOU. Up to 20% of all tenants housed under this MOU may be drawn from current and future patient/client identification and referral systems used by the COUNTY Health Agency, including but not limited to, the Housing for Health Access and Referral system.

G. Priority Populations

CITY shall coordinate with COUNTY to ensure supportive housing created under this MOU targets populations consistent with regional priority population goals, upon COUNTY's incorporation of these goals into the COUNTY's Homeless Initiative, including—

1. Units developed to serve single adults experiencing chronic homelessness, significant barriers to housing stability, multiple barriers to independence or high risk of becoming chronically homeless;
2. Units developed to serve families (with custody of children below the age of 18) experiencing chronic homelessness, significant barriers to housing stability, multiple barriers to independence, or high risk of becoming chronically homeless;
3. Units developed to serve youth and young adults, aged 18 to 24, determined to need supportive housing under tenant selection protocols identified in Section F; and
4. Units developed to serve veterans determined to need supportive housing under tenant selection protocols identified in Section F.

H. Definitions

For purposes of this MOU, PARTIES agree to the following definitions:

1. "Chronic homelessness" has the same meaning as defined in 24 CFR Section 91.5, except that, for the purposes of evaluating eligibility for the supportive housing created as a result of this MOU, an applicant who meets any of the criteria of chronic homelessness upon entering an institution will be considered as having met those criteria upon exiting the institution, regardless of length of stay in that institution.
2. "Housing First principles" means immediate access to housing without preconditions or housing readiness requirements, landlord compliance with tenant protections under law, consumer choice and self-determination, recovery orientation, individualized and client-driven supports, and social and community integration.
3. "Landlord incentives" means funding designed to facilitate a private-market landlord's acceptance or use of tenant-based rental assistance CITY or COUNTY provides to people experiencing homelessness.
4. "Supportive housing" means pairing of rental assistance and supportive services in either a single-site building constructed or renovated for this purpose or in scattered-site apartments subsidized for the purposes of housing and serving eligible recipients.
5. "Veteran" means an individual who actively served in the U.S. military for at least 90 days or was injured as a result of U.S. military service.

I. Implementation

PARTIES agree to meet at least quarterly to assess the implementation of this MOU and perform the following:

1. Develop a schedule for allocation of resources and identify tracking mechanisms to ensure PARTIES are using the supportive housing resources developed as a result of this MOU fully;
2. Create a unified application between PARTIES or utilize a countywide unified application that allows housing developers to apply for capital, operating, and services awards.
3. Establish protocols for providing tenant-based vouchers to allow supportive housing tenants to "move on" when the tenant no longer needs supportive housing to live stably in permanent housing and chooses to live elsewhere;
4. Design data collection and reporting systems to evaluate the outcomes of this MOU; and
5. Perform adjustments based on needs of people experiencing homelessness, progress in meeting responsibilities outlined in this MOU, resource utilization and availability, overall supportive housing production, evaluation findings, and supportive housing gaps in difficult-to-develop areas of City.

J. Evaluation

PARTIES agree to conduct an evaluation of the MOU, using data COUNTY, CITY, and third party evaluators collect, as well as tenant-reported data. The evaluation shall be completed and presented to the County Board of Supervisors and the _____ City Council within five years of the date of this MOU. The evaluation shall include, but not be limited to, the following:

1. Progress in achieving the goals outlined in Section B of this MOU;
2. Barriers to implementation of the MOU;
3. Recommended strategies for removing barriers to implementation;
4. Population-specific data on the following:
 - a. Number of formerly homeless individuals/families housed;
 - b. Number of people who remained in permanent housing one and two years after housing placement;
 - c. Improved health outcomes among participants served, demonstrated through obtaining regular medical, mental health, and/or substance use disorder treatment, and decreased hospital admissions and emergency department visits;
 - d. Community integration and social connectedness, including reconnection with family or friends or building new support networks, through tenant satisfaction surveys;
 - e. Gainful employment and/or educational attainment;
 - f. Consistent payment of rent;
 - g. Positive exits from supportive housing; and
5. To the extent data is available, COUNTY and CITY costs avoided as a result of the MOU.

COUNTY and CITY will allocate the staff resources required to conduct the evaluation. COUNTY will retain the evaluator and bear the costs of the evaluation.

K. Modifications, Revisions, and Termination

This MOU constitutes the entire agreement between PARTIES hereto, and no oral understanding not incorporated herein will be binding on any PARTY. This MOU may only be modified, altered, or revised, as necessary, by mutual consent of PARTIES hereto by the issuance of a written amendment, signed and dated by PARTIES.

If any PARTY determines another has violated the terms of the MOU, that PARTY may terminate this MOU upon 60 days written notice. PARTIES will continue to honor existing commitments to units already placed in service or agreed upon in the development or pipeline process.

L. Dispute Resolution

PARTIES to this MOU agree to implement good faith efforts and promptly meet and confer to resolve disputes arising from this MOU between the lead administrators for this MOU listed in Section Q. If issues cannot be resolved at this level, the lead administrators will refer such issues to their respective supervisors for discussion and resolution.

M. Press Releases and Communications

PARTIES shall be included when communicating with the press, television, radio or any other form of media regarding duties or performance under this MOU. Participation of each PARTY in press/media presentations will be determined by each PARTY's public relations policies. Unless a PARTY directs otherwise, each PARTY shall make specific reference to all PARTIES in all communications regarding this MOU.

N. Hold Harmless/Indemnification/Liability

Pursuant to the provisions of Section 895.4 of the California Government Code, PARTIES agree to indemnify and hold the other PARTY harmless from all liability for damage, actual or alleged, to person or property arising out of or resulting from indemnifying PARTY's acts or omissions in the performance of this MOU. In the event of third-party loss caused by negligence, wrongful act or omission of PARTIES, each PARTY shall bear financial responsibility in proportion to its percentage of fault as may be mutually agreed or judicially determined. The provisions of California Civil Code Section 2778 regarding interpretation of indemnity agreements are hereby incorporated.

O. Severability

If any part of this MOU is found to be null and void or is otherwise stricken, the rest of this MOU will remain in force.

P. Counterparts

This Agreement may be executed in any number of counterparts, each of which so executed will be deemed to be an original and will together constitute one and the same Agreement.

Manual signatures may be provided by facsimile, or digitally scanned and provided by electronic mail.

Q. Notice Provision/MOU Lead Administrators

COUNTY:

Phil Ansell

Director, Los Angeles County Homeless Initiative

Los Angeles County Chief Executive Office

500 West Temple Street, Fourth Floor

Los Angeles, CA 90012

With copy to:

Elaine Lemke

Assistant County Counsel

Office of the County Counsel, County of Los Angeles

500 West Temple Street, Sixth Floor

Los Angeles, CA 90012

CITY:

With copy to:

IN WITNESS WHEREOF, the PARTIES have executed this AGREEMENT as of the day and year first written above.

COUNTY OF LOS ANGELES, a subdivision of the State of California

By: _____
Sachi A. Hamai
Chief Executive Officer

Date: _____

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By: _____

Date: _____

CITY OF _____, a municipal corporation

By: _____

Date: _____

HOUSING AUTHORITY OF THE CITY OF _____, a public body, corporate and politic *[if applicable]*

By: _____

Date: _____

APPROVED AS TO FORM:
_____ City Attorney

By: _____

Date: _____