

*SUBSIDIZED HOUSING
STRATEGY BRIEFS*

December 3, 2015



9. POTENTIAL SUBSIDIZED HOUSING STRATEGIES

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Potential Strategy 9.1 Federal and State Subsidized Housing Policy Advocacy

This potential strategy presents opportunities for advocacy in three areas:

- 1) Statutory and regulatory improvements to the Section 8 Voucher Program, the primary source of long-term subsidy in Los Angeles
- 2) Current federal legislative/budgetary opportunities
- 3) Current state legislative opportunities

1. Statutory and regulatory improvements to the Section 8 Voucher Program, the primary source of long-term subsidies in Los Angeles

Recently released studies that have gathered evidence about the types of housing and services that work best to address homelessness have unanimously pointed to the benefits of permanent housing subsidies as the most effective tool to combat homelessness and its long term effects.

The U.S. Department of Housing and Urban Development (HUD) has created several programs that specifically target the homeless population such as the Veteran Affairs Supportive Housing Program (VASH) and the Continuum of Care Program (CoC). These programs are very effective but are narrowly targeted to specific subsets of the homeless population and may not be available to many homeless families and individuals. This is one of the main reasons that the Housing Choice Voucher Program (HCV) has become such an important tool in the fight to end homelessness.

The challenge in utilizing the HCV Program is the lack of flexibility that is required in administering the program in order to remove barriers to access for the homeless population. While HUD allows Housing Authorities a certain amount of discretion to set certain eligibility criteria, it does not allow the discretion to “carve out” specific criteria that may be of greatest benefit for homeless families and individuals.

While many Public Housing Authorities (PHAs) have attempted to modify their eligibility criteria as a means to remove barriers to access, there are quite a large number of PHAs nationally and regionally that have not. This is not because they are unwilling to serve this population, but rather because doing so requires across the board changes to their entire HCV program.

Legislative and or Regulatory changes are needed to provide PHAs more flexibility to serve special needs populations that have additional barriers. The following two changes could dramatically reduce the termination/denial of housing assistance to homeless households without altering the integrity of the HCV:

- A reduction in the criminal background check look-back period for drug-related crimes could provide access to housing for homeless individuals who would otherwise be disqualified.
- A reduction in the frequency of re-examinations (currently required three times/year) for fixed income households would significantly reduce the paperwork that formerly homeless households have to submit annually in order to retain their housing assistance. PHA's have reported that formerly homeless households experience a much higher than normal attrition rate due to program violations linked to the untimely submission of re-examination paperwork.

Target Populations

Homeless families and individuals.

Estimated cost per person

There is no hard cost associated with making regulatory or legislative changes to the program. There are, however, higher administration costs to PHAs that choose to prioritize housing the homeless population over other low-income applicants. More resources are expended to get a homeless household leased compared to another low-income household. These costs are absorbed by the PHA.

Opportunities that make this proposed strategy feasible

Advocacy for legislative/regulatory changes to facilitate housing the homeless would need to be part of the County's legislative priorities. Los Angeles and other cities could also align with the County in a joint advocacy effort.

Barriers to implementing the proposed strategy and recommendation on how they can be resolved

The current barriers to recent and previous legislative reform efforts for housing programs has been the lack of budget appropriations bills that could contain such measures. The Transportation, Housing and Urban Development, and Related Agencies (T-HUD) appropriations bills have been non-existent and funding has been provided through a series of continuing resolutions over the past several years.

Potential funding stream

Federal appropriations; however, there are certain beneficial changes that would have no federal cost.

2. Current federal legislative opportunities

The House and Senate Appropriations Committee and the responsible subcommittees should prioritize three key HUD programs in FYY 2016 by:

- Providing \$2.480 billion for HUD's McKinney-Vento Homeless Assistance Grants program, including \$40 million for homeless youth initiatives.
- Providing \$18.05 billion to renew all Housing Choice Vouchers in use at the end of 2015 and \$470 million to restore the remaining 60,000 vouchers lost due to sequestration.
- Not raiding the National Housing Trust Fund (NHTF) to fund other programs.

HOME Program Funding - The HOME program is the primary funding source for the LA City Housing Trust Fund and the LA County Community Development Commission annual Affordable Multifamily Rental Housing NOFA, which are the main sources of funds to produce permanent supportive housing in Los Angeles. Despite the impressive track record of the HOME program, Congress slashed funding for HOME by 50% in recent years, from \$1.8 billion in 2010 to an all-time low of \$900 million in Fiscal Year 2015. Because of tight spending caps, the House has proposed to cut HOME funding to just \$767 million or 58% less than in 2010. The Senate proposes to severely cut HOME by 93%, which would essentially eliminate the program altogether.

McKinney-Vento Homeless Assistance Grants - HUD's McKinney-Vento Homeless Assistance Grants program represents the primary source of federal funding for programs serving people experiencing homelessness. In 2009, the HEARTH Act made significant improvements to this program, though securing funding for implementation is an ongoing process. The \$2.48 billion proposed by the Administration in the President's Budget Proposal would fund housing subsidies for 37,000 people experiencing chronic homelessness to enter permanent supportive housing. This, in combination with efforts by HUD to reallocate existing resources to permanent supportive housing, would put the country on track to meet the Administration's goal to end chronic homelessness by the end of 2016.

SAMHSA Homeless Services - The Substance Abuse and Mental Health Services Administration (SAMHSA) within HHS provides funding for several programs that provide services to people experiencing or at risk of homelessness. The appropriations bills from the House and Senate propose large cuts to the Projects for Assistance in Transition from Homelessness (PATH) program under SAMHSA. The Senate proposes a \$25 million cut to PATH for FFY2016, which is a 38 percent cut from the \$65 million budget in FFY2015. The House is proposing a \$10 million cut to PATH which is a 15 percent cut. In addition, the House and Senate are proposing a \$2 million cut to SAMHSA homeless programs (3 percent cut) and the Senate is proposing a \$50 million cut to the Substance Abuse Block Grant (3 percent cut).

Section 8 Voucher Funding and Reform - Section 8 Tenant-Based Rental Assistance (the "Housing Choice Voucher program") is the primary program assisting extremely low-income people with the cost of housing. Ongoing efforts aim to streamline and enhance the program.

Homeless Youth Legislation - Runaway and Homeless Youth Act (RHYA) and the Education for Homeless Children and Youth (EHCY) programs help prevent

exploitation of youth on the streets and support reconnection to their families, schools, employment, and housing options. As runaway and homeless youth come to Los Angeles from around the nation, it is particularly important to fully fund these programs as requested in the President's Budget Proposal.

VA Homelessness Programs - The Department of Veterans Affairs has a variety of programs that are critical to ending homelessness among veterans, including Supportive Services for Veteran Families (SSVF), the case management portion of HUD-VA Supportive Housing (HUD-VASH) vouchers, and the Grant Per Diem transitional housing program. There is concern that the well-publicized accomplishments reducing veteran homelessness nationwide may tempt Congress to reduce funding for these programs, but they will be essential for eliminating veteran homelessness in LA and in helping veterans who become homeless in the future.

National Housing Trust Fund - In 2008, the National Housing Trust Fund (NHTF) was established as part of the Housing and Economic Recovery Act. The NHTF will expand, preserve, rehabilitate, and maintain the supply of rental housing affordable to America's poorest families. The NHTF was authorized by Congress in 2008 and with the Federal Housing Finance Agency's recent decision to end the temporary suspension of contributions from Fannie Mae and Freddie Mac to the Housing Trust Fund and Capital Magnet Fund, the NHTF will have at least some resources to begin expanding the housing supply for the lowest income and most vulnerable people in the country. With the lifting of the suspension, the first funds are expected to be allocated in early 2016, unless Congress diverts this funding to fund other line items.

Improve Project-Based Voucher (PBV) program - Two Bills seek to improve the Section 8 PBV program without increasing costs to the federal government:

- Maxine Waters' Project Based Voucher Improvement Act (H.R. 3827), and
- Blaine Luetkemeyer's Housing Opportunity Through Modernization Act of 2015 (H.R. 3700).

The PBV program helps housing providers leverage outside financing in order to create and maintain affordable housing in their communities. Both bills would improve the PBV program, a valuable tool to help preserve and create more affordable housing, especially for the poorest and most vulnerable populations, by facilitating the ability of PHAs to enter into agreements with private and nonprofit owners to use a share of its vouchers at a particular housing development.

3. Current state legislative opportunities

AB 1335 (ATKINS)

Subject: Finance Status: Two-year bill, requires 2/3 vote.

This bill would enact the Building Homes and Jobs Act to create a permanent source of state funding for affordable housing by imposing a \$75 surcharge for recording non-sales real estate documents. The total fee would be limited to \$225 per transaction. Estimated revenue from the fee runs from \$200 million to \$400 million annually.

County Position: County has a support position per 5/12/15 Board motion.

AB 396 (JONES-SAWYER)

Subject: Fair Housing Status: Two-year bill.

Similar to “Ban the Box” legislation for employment, this Bill would prohibit the owner of a rental housing accommodation from inquiring about, or requiring an applicant for rental housing accommodation to disclose, a criminal record during the initial application assessment phase.

County Position: County does not currently have a position, but is monitoring.

Potential Strategy 9.2

Financing and Coordination to Increase Funding for Supportive Housing

1. Description of the proposed strategy

“The most successful intervention for ending chronic homelessness is permanent supportive housing....”¹ Supportive housing is an innovative and proven solution that combines affordable housing with services that help people who face the most complex challenges to live with stability, autonomy and dignity. Research has shown that supportive housing has positive effects on housing stability, employment, mental and physical health, and school attendance. In addition, supportive housing is cost effective. Cost studies across the country demonstrate that supportive housing results in tenants’ decreased use of homeless shelters, hospitals, emergency rooms, jails and prisons and therefore is often less costly than continued homelessness. Further evidence shows that supportive housing benefits communities by improving the safety of neighborhoods, beautifying city blocks with new or rehabilitated properties, and increasing or stabilizing property values over time.

In order to maximize the supply of supportive housing units available to individuals and families experiencing chronic homelessness, the Los Angeles County Board of Supervisors could:

- 1) Adopt and promote an inter-jurisdictional coordinated system of funding supportive housing projects; and
- 2) Increase the amount of capital funding for supportive housing development through the adoption or creation of new funding sources.

Increased Coordination

One of the most significant barriers to maximizing funding for supportive housing in Los Angeles is the absence of a centralized system through which developers could apply for the multiple funding streams required to construct and/or sustain supportive housing units. Without such a system, there are a number of inefficiencies for funders and developers alike.

The primary local public funders of supportive housing (Community Development Commission of the County of Los Angeles, LA City Housing and Community Investment Department, Housing Authority of the County of Los Angeles, Housing Authority of the City of Los Angeles, and the Los Angeles Homeless Services Authority) could convene a working group to create a coordinated process by which

¹United States Interagency Council On Homelessness (USICH), Opening Doors: Federal Strategic Plan To Prevent and End Homelessness, June 2015, Page 41.

supportive housing projects are funded. The group will align priorities and processes in order to maximize capital, operating, and service funding for supportive housing. This will include developing a coordinated funding application and award process, which will dramatically reduce the time it requires to assemble project financing. As funding applications are coordinated and synchronized between the City and County of Los Angeles, other cities will be attracted to participate in creating a one stop for all local capital and operating funding commitments. A coordinated system will allow funders to be more strategic in the allocation of funds, while maximizing the leveraging of State and Federal funds available to the region. This will also result in a more streamlined and predictable system for developers, allowing them to maximize their production by creating more certainty about the availability of funds. As the LA City and County housing funders reach agreement on how to coordinate, the discussion will be expanded to other private and public funders through the Home for Good Funders Collaborative (the "Funders Collaborative), to maximize and leverage additional resources, including funds for services and other activities designed to operate and strengthen supportive housing.

Increased Funding

In addition to creating a more streamlined and effective funding process, there are a number of strategies the County could pursue to increase the amount of funding available for the development of permanent supportive housing, including, but not limited to:

- **Linkage Fee**

Linkage fees have been enacted in jurisdictions from Boston to Berkeley. Proceeds from the fees have been used differently in different municipalities. Some believe that if a linkage fee had been in place -- solely for the City of Los Angeles -- that the fee would have generated between \$35 million to \$110 million annually between 1997 and 2007, depending upon the level of the fee.

The fee, linked to new development, would create a fund that provides capital for affordable housing, including permanent supportive housing. Specifically, any new development or refurbishment / rehabilitation of existing structures would pay into a fund that would be used for the development of permanent supportive housing. The housing benefit fee would apply to all privately-funded structures hotels, amusement, sports arenas and stadiums, hospitals, office structures, manufacturing, garages and parking lots, restaurants, storage facilities and warehouses, spas, theatres, and housing. Small structures less than 10,000 square feet would be exempt.

The fee paid into the fund would be determined by a nexus study that recognizes the different impacts on the need for affordable housing for different types of projects (i.e. an industrial building, retail building and hotel might have different fee requirements). Such a nexus study could be new or completed within the past five years. The fee would be adjusted annually in order to maintain pace with rising costs. The local construction cost index could be used

to make these adjustments. The linkage or housing benefit fee would generate capital funds to be used to increase production of permanent supportive housing.

- **Document Recording Fee**

The County could impose a document recording fee on every real estate related transaction. If enacted, a document recording fee could fund an affordable housing trust fund. Legislators have introduced similar bills in the California Legislature over the last four years; so far, none have received the 2/3 vote required to establish a new fee.

A document recording fee could generate significant funding. Document recording fees for affordable housing are in place in 20 states. Several counties and cities also use this strategy, including Portland, Oregon.

- **Permanent Supportive Housing Bond**

Developing new permanent supportive housing with long term affordability covenants is a capital intensive effort for local government. While a program to develop permanent supportive housing usually leverages substantial capital through the Federal and State Low Income Housing Tax Credit programs, as well as, private bank loans and philanthropy – it remains that 25-60% of capital for permanent supportive housing development is provided by local government subsidies (combined total of City and County Subsidies). This equates to a local capital contribution of \$84,000 to \$200,000 per unit, though the cost per unit could be reduced if the housing were sited on land already owned by a city or the County. In other words, to build 10,000 units of new permanent supportive housing would require a capital contribution by cities and the county of approximately \$1.5 Billion. Commonly, municipal governments use bonds to finance long-term capital programs – such as schools, hospitals, parking structures or multifamily housing.

- **Joint Powers Authority Bond Issuance**

Before cities, counties and special districts can issue bonds, they need majority-voter approval. If the voters approve, then the local government sells the bonds to private investors and uses the resulting capital to build a public facility. However, a Joint Power Authority can issue revenue bonds without holding an election.

A joint powers agreement (JPA) is a formal, legal agreement between two or more public agencies that share a common power and want to jointly implement programs, build facilities, or deliver services. In Los Angeles, LAHSA is a JPA that has historically delivered services; however, it was originally organized with the authority to issue bonds for funding homeless housing projects. Therefore, LAHSA could issue a permanent supportive housing bond, without voter approval, provided that each of the JPA's member agencies (LA County and LA City) adopts a separate local ordinance.

The enabling ordinances must identify the projects to be funded and the sources of repayment. Therefore, a permanent supportive housing bond issued by LAHSA would have to be linked to a specific permanent supportive housing capital development program, with all the necessary leverage capital, service funding, and resources identified, to enable the program to be implemented. This kind of capital plan will require collaboration on a large scale, but could be achieved through a coordinated capital planning effort, such as the Home for Good funding collaborative.

- **MHSA Revenue Bond**

Los Angeles County receives from the State an annual allocation of funding from the Mental Health Services Act (MHSA) to offer services, including housing, to people with serious mental illnesses. A “millionaire’s tax”—a personal income tax of 1% on all those making over \$1 million—funds MHSA. California created an MHSA Housing Program in 2007, which offered counties one-time capital and operating funding for supportive housing for those eligible for MHSA who are homeless. The County has since exhausted this one-time funding, but it could dedicate additional funding through MHSA each year toward capital for the same purpose. The County could bond against the County’s MHSA allocation to fund upfront development costs of supportive housing. The County would then use a portion of ongoing MHSA funds to pay the debt service on the bond.

A bond would allow the County to commit significant resources to build supportive housing, rather than allocating small amounts of funding each year to develop a small number of projects.

- **Social Impact Financing**

Social Impact Financing (SIF), also known as Pay for Success (PFS), offers a strategy to scale evidence-based housing solutions to end chronic homelessness. According to research, including more than 75 local cost studies across the country, the cost of managing homelessness is more expensive than providing permanent supportive housing, when that housing is appropriately targeted.

Numerous federal, state, and local governments throughout the United States are exploring SIF as a mechanism to raise private capital and invest in scaling cost-effective housing innovations and solutions. Massachusetts implemented the first SIF model in the country on chronic homelessness this past year and, while it is too early to draw any conclusions, the initial results are encouraging.

SIF raises private investment capital to scale evidence-based intervention programs, such as Housing First, that are designed to effectively address chronic homelessness. These housing interventions with appropriate support services are consumer preferred and reduce the need for extremely expensive and redundant crisis response systems and safety-net services. Investors are repaid only if the intervention is demonstrated to successfully improve outcomes, such as reducing homelessness and reducing the governmental costs

of managing homelessness. The SIF model has a great benefit in that it taps into significant private investment dollars that allow a scaling of housing solutions for the most chronically homeless at a level that may not be otherwise possible.

2. Opportunities that make this proposed strategy feasible

Examples of other jurisdictions that have taken advantage of the various opportunities are discussed above.

3. Barriers to implementing the proposed strategy and recommendation on how they can be resolved

There are some specific barriers to implementing the various sub-strategies, which are addressed within each specific recommendation. However, there is no major barrier to implementing a coordinated inter-jurisdictional funding process.

4. Potential performance outcome

Increase in the number of supportive housing

5. Potential funding streams

- Linkage Fees
- Document Recording Fee
- Permanent Supportive Housing Bond
- Joint Powers Authority Bond Issuance
- MHSA Bond
- Social Impact Financing

Potential Strategy 9.3a Wrap Around Services – Supportive Services

1. Description of the proposed strategy

Supportive services are a critical to effectively transitioning a formerly homeless person from being on the streets to becoming a thriving tenant and member of the community. To most effectively achieve this goal, we need, as a County, a consistent definition of supportive services. As such, the County could: (1) adopt and promote a definition of supportive services; and (2) adopt and promote a set of standards for high-quality supportive services.

Definition of Supportive Services

Supportive services are the “comprehensive package of supports that help tenants sustain housing stability and meet life goals.”² These supportive services involve the development of a trusting, genuine partnership and relationship between the service provider and tenant. This connection brings value and enhances participation in the supportive services, furthering the tenant’s journey of recovery and housing stability.

Supportive services include, but are not limited to, the following activities:

- Connection to financial benefits (such as General Relief, Supplemental Security Income [SSI], CalFresh, etc.).
- Connection to health insurance, which is generally Medi-Cal.
- Linkages to and direct connection/collaboration with treatment-related services (such as mental health, physical health, and substance use disorder treatment).
- Linkages to job development and training programs, school, peer advocacy opportunities, advocacy groups, self-help support groups, and volunteer opportunities, as needed and wanted by the tenant.
- Money management and linkage to payee services.
- Transportation and linkage to transportation services.
- Peer support services. (Utilizing people with lived experience in outreach, engagement, and supportive services is an evidence-based best practice.)
- Community building activities, i.e., pro-active efforts to assist tenants in engaging/participating in the community and neighborhood.

Supportive services may be on-site in a project-based building or scattered site housing. Services in some instances will be a street-to-home model in which a case manager: conducts outreach to the person on the street; assists in housing navigation, housing application, and location; and follows the person to further support him/her, once housed.

² See CSH, Dimensions of Quality: Supportive Housing, available at http://www.csh.org/wp-content/uploads/2013/07/CSH_Dimensions_of_Quality_Supportive_Housing_guidebook.pdf.

Quality Standards

Supportive services should adhere to high quality standards. To this end, supportive services in subsidized housing must be:³

Tenant-Centered

- Services are voluntary, customized and comprehensive, reflecting the needs of all members of the household.
- All members of tenant households have easy, facilitated access to a flexible and comprehensive array of supportive services.
- Tenants are actively involved in choosing the services they would like to receive. Supportive services staff uses a variety of proactive and creative strategies to engage in on-site and/or community-based supportive services, but participation is not a condition of ongoing tenancy.
- In delivering services to tenants, staff uses the most appropriate techniques or best practices, based on tenants' unique needs.
- The specific services and their intensity can vary over time, based on changing tenant needs.

Accessible

- Staff actively works to ensure that tenants are aware of available services, which are at convenient hours and locations.

Coordinated

- The primary service provider has established connections to mainstream and community-based resources, particularly behavioral healthcare, primary healthcare, education, employment, money-management services, and peer support.

Integrated

- Staff supports tenants in developing and strengthening connections to and relationships in their community.

In addition, supportive services should align with the following best practices with proven success in leading to more positive outcomes:

Housing First

- Housing First is an approach offering permanent housing as quickly as possible for people experiencing homelessness. It is particularly designed for people with long histories of homelessness and co-occurring health challenges.
- Income, sobriety, or participation in treatment or other services are voluntary and are not required as a condition for housing. The guiding philosophy of the

³ These quality standards are adapted from the *Dimensions of Quality: Supportive Housing* guidebook published by CSH (*supra*).

Housing First approach is that housing provides people with a foundation from which they can pursue other goals.

Harm Reduction

- Harm Reduction is a set of practical strategies that reduce negative consequences of drug use and mental illness.
- In the case of substance use, Harm Reduction incorporates methods from safer use, to managed use, to abstinence.
- With mental illness, Harm Reduction includes methods that inform, encourage choice, reduce negative symptoms and side-effects, and enhance self-management and recovery.

Critical Time Intervention

- Critical Time Intervention (CTI) integrates clients into the community through development of independent living skills and by building effective support networks.
- CTI's approach relies heavily on effective outreach and engagement by staff working in the community rather than in the office.
- CTI is time-limited, lasting for nine months after institutional discharge or placement into housing. Rather than providing ongoing assistance, CTI's emphasis is on mobilizing and strengthening client supports during the critical period of transition with the goal of ensuring that these supports remain in place afterwards.

Target Population

Homeless individuals, families, and youth.

2. Opportunities that make this proposed strategy feasible

There are examples of where this work of defining and funding effective supportive services is being done, including in Los Angeles.

Local Examples

Defining and Funding Supportive Services: The Los Angeles County Departments of Mental Health and Health Services define and fund supportive services which they view as critical to linking formerly homeless residents to the treatment needed to address a range of health conditions.

Coordinating Funding: The Home For Good Funders Collaborative is a partnership of more than 30 public and private organizations implementing an innovative funding system to end homelessness in Los Angeles County. It funds a number of the supportive services described in this strategy brief.

3. Barriers to implementing the proposed strategy and recommendation on how they can be resolved

- Lack of funding is a central barrier to the implementation of effective supportive services.
- Existing programs are highly fragmented between various governmental and non-profit agencies; this fragmentation makes them difficult to alter and expand.
- Individuals in need of case management or other supportive services often have to switch providers as they transition in and out of housing and health treatment; this lack of continuity can prevent optimal outcomes.

4. Potential Performance Measures

Supportive services should comport with the quality standards outlined above. In addition, they can be measured by examining the following outcomes, which are taken from the Home For Good Standards of Excellence. The Standards of Excellence are a series of best practices developed by various stakeholders, including homeless services providers and philanthropy.

Desired outcomes for supportive services include:

- Tenants remain housed
- Tenants have social and community connections – integrating into and becoming a participating/contributing member of the larger community
- Tenants improve their physical and mental health – develop the personal confidence, resilience, skills, and resources to manage their own lives and build a fulfilling future
- Tenants increase their income and employment
- Tenants are satisfied with and investing in the services and housing.

5. Potential Funding Streams

The following are potential funding streams for supportive services for families/individuals in subsidized housing:

- Los Angeles County Departments and General Fund
- Health Homes and other Medi-Cal funding
- City of Los Angeles and other cities
- Public Housing Authorities
- Home For Good Funders Collaborative
- U.S. Department of Housing and Urban Development
- Veterans Administration
- Los Angeles Homeless Services Authority
- Coordinated Entry System Resources
- Philanthropy

Potential Strategy 9.3b Wrap Around Services – Housing Stock and Landlord Engagement

1. Description of the proposed strategy

Los Angeles County could expand and/or create specific programs that identify and track housing stock, support landlords through the subsidized housing process, and celebrate effective landlords who have subsidized tenants.

Create

Damage Mitigation Fund: Oregon’s Housing Choice Landlord Guarantee Program “is designed to provide financial assistance to landlords to mitigate damages caused by tenants as a result of their occupancy under the HUD Housing Choice Voucher Program.”⁴ Los Angeles County could develop a similar program.

Vacancy Payments to Hold Units: Vacancy payments are permitted by the U.S. Department of Housing and Urban Development with Project-Based Vouchers.⁵ To prevent homelessness, vacancy payments could be implemented in Los Angeles County for Project-Based vouchers and/or other subsidized housing, though HUD funding could only be used for Project-Based vouchers.

Expand

Vacancy List: Los Angeles County could develop a centralized list of vacancies in Los Angeles County subsidized housing stock that is accessible to tenants and service providers. There is currently a list of project-based subsidized housing and some detail on affordable housing. This proposed vacancy list would further expand collective awareness of the available housing stock.

Landlord Recognition: Los Angeles’ Homes For Heroes Program celebrated landlords renting to veterans, hosting the Secretary of the US Department of Veteran Affairs, Secretary Robert A. McDonald, and other dignitaries.⁶ This type of recognition could be expanded to landlords working with non-veterans in subsidized housing.

24/7 Crisis Management Hotline: 24/7 crisis management for conflicts between landlords and tenants is considered a best practice by homeless service providers and does exist in some areas within the County, e.g., PATH’s work in various communities.

⁴ Oregon Housing and Community Services Department, <http://www.oregon.gov/ohcs/Pages/housing-choice-landlord-guarantee-assistance.aspx>.

⁵ U.S. Department of Housing and Urban Development, <http://portal.hud.gov/hudportal/documents/huddoc?id=pih2011-54.pdf>.

⁶ PR Newswire, <http://www.prnewswire.com/news-releases/va-secretary-mcdonald-and-mayor-garcetti-call-on-landlords-to-join-in-ending-veteran-homelessness-at-homes-for-heroes-breakfast-300095077.html>.

However, there is not currently access to a countywide hotline in Los Angeles County. With the deepening of the Coordinated Entry System, there are opportunities to connect a crisis management hotline to a countywide system with regional arms. In addition, the U.S. Department of Veteran Affairs is exploring a national hotline, and the County could partner on this work.

Target Population

Landlords and tenants in subsidized housing.

2. Opportunities that make this proposed strategy feasible

All of the above strategies have been implemented to some degree in Los Angeles County and/or elsewhere in the United States.

3. Barriers to implementing the proposed strategy and recommendation on how they can be resolved

Lack of funding for the programs described above is a barrier that has required agencies to put pieces together independently, based on what funding is available. Some of this may be resolved through efforts of the Home For Good Funders Collaborative and various public funding sources, e.g., through the Los Angeles County Department of Health Services (DHS) Housing for Health Program.

Likewise, lack of coordination throughout the County is a major barrier. For example, housing and service providers hold their own vacancy lists, creating a barrier to a central vacancy list, and many have been reluctant to share these lists due to the competitive housing market and their desire to protect well-earned relationships. This could be resolved through a central program accessible to all agencies that would help reduce the barrier, which could be integrated into the Coordinated Entry System and supported by the Homeless Management Information System. Additionally, developing standards and providing training on landlord recruitment and retention could help agencies share their limited resources. (A separate strategy which has already been discussed in the Policy Summit on Coordination of Services calls for coordination and joint training of housing locators in each Service Planning Area.)

4. Potential Performance Measures

- Increased number of landlords willing to accept housing subsidies
- Enhanced ability of service providers to develop and retain good relations with landlords

5. Potential Funding Streams

- City of Los Angeles
- County of Los Angeles
- Public Housing Authorities

- Home For Good Funders Collaborative
- Los Angeles Homeless Services Authority
- Coordinated Entry System
- Philanthropy

Potential Strategy 9.4 Regional Coordination of Los Angeles County Housing Authorities

1. Description of the proposed strategy

Housing Authorities in Los Angeles County have responded to local, state, and federal efforts to end homelessness by engaging in collaborative activities that have proven to be beneficial to families in need across the County. More specifically, the Housing Authorities of Los Angeles County (HACoLA) and City (HACLA) have collaborated on several initiatives such as;

- Partnership with the Los Angeles Homeless Services Authority (LAHSA) and the United Way of Greater Los Angeles to develop and utilize coordinated access systems that match homeless clients with housing resources and supportive services that meet their specific needs.
- Interagency agreements for several housing programs that allow families to locate units in either jurisdiction by eliminating the cumbersome “portability” process.
- Creation of a universal housing assistance application that eliminates the duplicative effort of completing several different applications when applying for multiple housing programs across both Housing Authorities.
- Alignment of policy, where possible, to facilitate a uniform eligibility determination standard across both Housing Authorities.

Given the success of these initiatives, which have been nationally recognized as best practices, both HACoLA and HACLA have reached out to other housing authorities to implement similar activities.

Therefore, to expand these collaborative efforts, the Board of Supervisors could recommend and encourage all Housing Authorities operating in Los Angeles County to meet on a quarterly basis to identify common housing barriers and develop meaningful strategies to mitigate them. To the greatest extent possible, these meetings should include County departments who also administer housing programs, community organizations, and subject matter experts who can provide information on best practices and community feedback.

Target Population

This strategy would create transparency and lead to innovation to benefit those in need of subsidized housing.

Estimated cost per person

This strategy does not require any expenditure in order to be implemented, other than minimal time by staff for scheduling and meeting.

2. Opportunities that make this proposed strategy feasible

Some Housing Authorities are already meeting on a quarterly basis through United Way and other facilitators, including the HUD Los Angeles Field Office.

3. Barriers to implementing the proposed strategy and recommendation on how they can be resolved

Some Housing Authorities are small and have difficulty sending staff to meetings. They can participate via conference call if necessary.

4. Potential Performance Measures

Not applicable.

5. Potential Funding Stream

This strategy does not require any expenditure in order to be implemented.

Potential Strategy 9.5 Rapid Re-Housing

1. Description of the proposed strategy

Rapid re-housing (RRH) programs target homeless or those imminently at-risk of homelessness who have low- to moderate- barriers to maintaining permanent housing. RRH programs provide supportive services and financial assistance to households who have a diverse array of challenges to stabilizing their housing crisis and securing permanent housing, but with assistance, are likely to secure an income adequate to maintain unsubsidized permanent housing. Households are connected to an appropriate RRH program which is most likely to address their housing crisis for the long-term. RRH services are typically provided for 6 to 12 months and are tailored to the needs of each household. Households assessed as having high barriers or significant challenges to housing stability which cannot be reasonably resolved through RRH programs should be referred to other, more appropriate permanent housing opportunities, such as service-enriched housing.

Rental assistance subsidies are to be based on progressive engagement strategies. RRH staff will institute tapering or "stepped-down" rental assistance structures so families/individuals will be confident they can assume full responsibility for the monthly rent, utility costs, and other essential household needs at the end of the rental assistance period. RRH programs should be structured so that assistance is provided in conjunction with available rental assistance from other non-RRH funding sources to ensure there is no lapse in rental assistance if a household needs a longer subsidy than available through the RRH program. The need for ongoing assistance must be assessed approximately every 90 days.

Essential to the success of any RRH program is the program's ability to link households to community-based supportive services to increase a household's financial stability and self-sufficiency. This would include job training, job placement assistance, child care services, and transportation assistance. Linkages to services around mental health and substance use are also important as they assist the household to stabilize and manage issues which could potentially cause a challenge to housing stability.

Significantly, RRH is very cost effective as it is a less expensive service model than long-term housing interventions. Los Angeles must invest in RRH in order to have a comprehensive array of service interventions that meets the varying needs of the full range of individuals and families experiencing homelessness. Consistent with progressive engagement strategies, the availability of RRH can enable service providers to try a lower level intervention, and, if it does not work, proceed to linkage to an ongoing rental subsidy or Permanent Supportive Housing if available.

There are three core components to RRH:

1. **Housing Identification** - RRH programs must address barriers to returning to housing, which includes not only finding available housing, but working with landlords to reduce stigma about households that have experienced homelessness. RRH programs should not only support the housing search and placement process, but should address concerns about program duration, tenant history and qualifications. RRH programs should develop and foster positive working relationships with landlords. Landlord incentives, such as access to case managers, a repair fund, and/or recognition at relevant landlord events should be considered.
2. **Financial Assistance** - Effective RRH programs provide an array of direct financial assistance to assist homeless households secure permanent housing. Direct financial assistance can include move-in costs, deposits, and the rental and/or utility assistance sufficient to help households stabilize in housing. While programs should set criteria for the various levels of support that a household can receive, programs should have the ability to respond flexibly to clients changing needs (e.g. increasing financial assistance or modifying duration of assistance).
3. **Case Management and Services** - RRH programs provide the case management and services necessary to help a household stabilize in housing. This includes but is not limited to: linkages to mainstream benefits such as SSI/SSDI and/or Veterans benefits, connection to employment services, credit history resources, and legal services. RRH programs should also provide tenant/landlord education services, as well as tenant/landlord mediation services as necessary. Case management should focus on supporting households to mitigate the impact of any crisis on their housing.

Target Populations - All homeless populations with low-to moderate barriers to permanent housing can be served by RRH programs. This includes families, single individuals, multiple adult households without children, transition aged youth, as well as individuals and families fleeing domestic violence.

Estimated cost per person - Preliminary research suggests that RRH programs are more cost effective than transitional housing programs. Research also suggests that RRH programs lead to higher rates of permanent housing than either transitional housing or emergency shelter only interventions, and lower rates of return to homelessness.

- **Individuals** - Costs for RRH programs countywide targeting individuals will need to be determined, but it is safe to assume that RRH programs for individuals will cost less per person on average than family RRH programs.
- **Families** - Because the assistance provided in RRH programs is tailored to meet the unique needs of each family, the cost per family served will vary. However, based on preliminary research of 14 Continuums of Care in 7 states, the average cost per family exit to permanent housing was significantly lower for

RRH (about \$4,100) than it was for either shelter (about \$10,000) or transitional housing (about \$22,200).⁷

Staffing - Typical staff-to-client ratios in RRH programs are 20-25 clients per case manager. Programs should also employ a housing specialist whose primary focus is housing location and property owner relationship management. Staff should be aware of and use models identified as evidence-based, as well as best practices in providing housing services (i.e., Housing First, Motivational Interviewing, Critical Time Intervention, Harm Reduction, etc.) In addition, effective RRH programs either provide or have leveraged relationships with other community-based and government organizations which assist households in increasing their income, primarily through employment.

2. Opportunities that make this proposed strategy feasible

Los Angeles has implemented a Coordinated Entry System (CES) for both single adults and families, and a CES for TAY is currently in pilot. CES relies on an assessment that recommends a housing intervention based on need and future risk. While RRH has been demonstrated as a cost-effective best practice for helping households resolve their homelessness, there are very few sources of funding for these programs. Newly-created RRH resources could be immediately applied to those most appropriate for this housing resource.

Los Angeles has expertise administering successful RRH programs. The first RRH programs were funded through the Homelessness Prevention and Rapid Rehousing (HPRP) Program. Lessons learned and insight gained from HPRP can be used in identifying what key elements are needed to have an effective RRH program. More recently, a number of successful Supportive Services for Veteran Families (SSVF) programs were implemented in Los Angeles. Los Angeles can leverage the knowledge, tools, and resources of these successful programs as it implements new RRH programs.

Los Angeles currently has a RRH system for families through the Homeless Family Solution System (HFSS), now in its third year of operation. Additionally, First 5 LA and a number of Continuum of Care programs have successfully implemented RRH programs. These programs have been instrumental in housing over 2,000 families experiencing homelessness throughout the county since 2013. More recently, the Los Angeles Continuum of Care has begun to pilot a RRH program for families fleeing domestic violence in an effort to offer additional options for this population. The current efforts are community-based with services available in each service planning area (SPA), giving families easier access points to services. Family choice is another key component and benefit of RRH programs: because RRH utilizes units in the private rental market, households are able to choose where they want to reside and build upon the strengths and supports they have established in their community. By ensuring family choice throughout the process, these programs have been effective in

⁷ <http://www.endhomelessness.org/library/entry/rapid-re-housing-a-history-and-core-components>

both rapidly housing and retaining families in housing. RRH strategies limit the household's length of homelessness, ultimately reducing the negative impact of homelessness on all household members.

Development of a countywide Landlord Partnership Program could dramatically increase the availability of units for families participating in RRH programs. This program would support landlords who rent to families in need by offering training on what to expect from both the family and social service provider, including policies regarding damage to units and fees for delayed unit inspections.

3. Barriers to implementing the proposed strategy and recommendations on how they can be resolved

Gaps in funding - There is a significant funding gap between the number of funded RRH slots and the estimated need for RRH slots countywide. LAHSA is currently conducting a RRH assessment in order to account for countywide data.

Housing shortage - Families transitioning out of homelessness are presented with a myriad of obstacles preventing them from being rapidly re-housed as quickly as anticipated. Los Angeles County currently has a 2% vacancy rate, severely limiting the availability of market rate and affordable housing for families. This highly competitive rental market makes it difficult for service providers to locate units and to house families within a 45 -day period. Master leasing, a method by which housing providers lease a number of units from a property owner, has been proven to be a best practice in transitioning families more quickly out of homelessness. Implementing this strategy more frequently could allow for a higher number of families to utilize available RRH subsidies and decrease the length of their homelessness.

The increasingly limited housing market must be taken into consideration when implementing a RRH program in Los Angeles. As the rental market becomes more competitive, encouraging landlords to accept homeless households with limited income, multiple evictions, and poor credit will make it more challenging to assist households in identifying rental units.

Information gap - Many landlords are unaware of the structure and benefits of RRH programs and have misconceptions on the success it can provide to families/individuals. Service providers throughout Los Angeles County continue to outreach to landlords in the community to dispel the confusion around RRH assistance. Additionally, educating landlords on the continued support families receive from service providers after housing placement will also assist in landlords being more supportive of the program.

The financial instability faced by homeless households raises concerns from landlords in the community and limits the availability of potential housing opportunities. Landlords can be apprehensive in renting a unit to those transitioning out of homelessness, based on the fear that tenants will not pay rent or the unit may be

damaged. To address these concerns, landlords can be made aware of the RRH programs and the financial and other support they provide.

Insufficient Income – Eighty-five percent of families coming through the HFSS receive CalWORKs grants which are generally insufficient to assist a homeless family in stabilizing in permanent housing. More than 90% of those experiencing homelessness are considered extremely low-income, meaning the family income is at or below 30% of the area medium income. Additionally, with the increase in rental rates across Los Angeles County, coupled with the lack of affordable housing, families are unable to successfully transition to stable housing on their own. RRH subsidies provide a bridge for families to get stabilized more quickly and continue to receive the necessary financial assistance to ensure housing success.

Individuals whose income is only SSI or SSDI will not be able to sustain the full rent of a one bedroom apartment and may not be able to do so even in a studio/bachelor/economy unit. Thus, a RRH program model should employ multiple strategies to assist persons secure permanent housing, including shared housing and/or roommate scenarios or renting a room only. The rent supported by the RRH subsidy must be low enough that the person receiving the subsidy could realistically pay the entire rent, once the subsidy ends. Additional case management support must be factored in for shared or less private housing situations, in order to support the long term sustainability of housing.

4. Potential Performance Measures

The following percentages are currently being used in the HFSS program; similar targets would need to be established for individual adults:

- 90% of families that exit to permanent housing do not re-enter crisis housing within 2 years
- 85% of families enrolled secure permanent housing
- 70% permanent housing placement within 45 days
- 20 % of families increase income from all sources
- 60% of families at imminent risk of homelessness do not enter the shelter system

5. Potential funding streams

Potential funding streams include Cities, LA County, State, and Federal resources:

- Flexible pool of funds to pilot a short-term master lease program
- HUD Continuum of Care
- HUD Emergency Solutions Grant
- DPSS/CalWORKs
- CalWORKs Housing Support Program
- Community Development Block Grant

- First 5 LA
- Health Care System
- General Funds - Cities and County
- New revenue
- Department of Children and Family Services (DCFS)
- Probation Department
- Private foundations and other non-governmental funding

Potential Strategy 9.6 General Relief Housing Subsidy and Case Management Project

1. Description on the proposed strategy

The County could allocate additional funding to expand the General Relief Housing Subsidy and Case Management Project (GRHSCMP). Additionally, the GRHSCMP could be enhanced to align with a Rapid Rehousing model, which would include housing location assistance and housing-related case management, in addition to temporary rental assistance. A fully-funded and service-enhanced GRHSCMP will ensure that homeless and chronically homeless single adults of moderate acuity have an opportunity to end their homelessness. The GRHSCMP could also include tracking via the Coordinated Entry System to determine an individual's homeless status at enrollment, length of time to be placed in permanent housing and housing retention (recidivism) to facilitate outcomes analysis.

The current GRHSCMP focuses on increasing income beyond GR income, either through employment or receipt of Supplemental Security Income (SSI). The County provides \$400, which supplements \$100 provided by the GR recipient for a total of \$500/month available for temporary housing assistance. It is likely that most of the GR program participants use the funds to live in shared permanent housing.

An evaluation of the program demonstrated that GR recipients who received the temporary housing assistance through the GRHSCMP were more likely to obtain employment or SSI than those in the control group. Of those on the SSI track, 76% of program participants had their SSI applications approved compared to 52% of the control group.

Increased income through SSI provides an opportunity for former GR recipients with disabilities to avail themselves of affordable permanent housing opportunities, especially shared housing with separate leases. The GRHSCMP demonstrates that, for some homeless GR recipients who are frequent users of County services, temporary housing assistance may lead to successful re-housing.

For GRHSCMP participants who secure SSI, the County recovers the full amount of the rental subsidy from the participant's retroactive SSI benefit, though the Interim Assistance Reimbursement process.

Target Population:

The target population is homeless GR applicants and participants, who are living on the streets or in shelters who demonstrate moderate barriers to permanent housing and are either employable or potentially eligible to SSI.

2. Opportunities to make the proposed strategy feasible

The proposed strategy is feasible as this program is currently in operation at the Department of Public Social Services (DPSS). While federal funding for Homelessness Prevention and Rapid Re-Housing Program (HPRP) has been exhausted, the current GRHSCMP has demonstrated the efficacy of temporary housing assistance to help increase the incomes of GR recipients, including heavy users of County services, particularly from DMH and DHS. The County should implement lessons learned from HPRP and ensure that GR participants receive housing location assistance and housing-related case management. As with Rapid Rehousing more generally, participants who are not successful in increasing their income sufficiently to maintain housing with a subsidy could be considered for an ongoing housing subsidy through another program. For example, this could be the case of a disabled GR participant who is unable to qualify for SSI.

DPSS reports that, as of August 2015, a total of 93,707 persons received GR assistance up to \$221/month – 44,793 (48%) were deemed employable and 48,914 (52%) were deemed unemployable. DPSS estimates that approximately 60% of GR recipients are homeless; however, DPSS' definition of homelessness is broader than the Housing and Urban Development (HUD) definition of “literal” homelessness.⁸ Nevertheless, a significant (though unknown) percentage of GR participants considered homeless by DPSS would be considered “literally homeless” by HUD.

Currently, the DPSS GRHSCMP provides temporary housing assistance for up to 1,039 GR participants. The October 2015 program report shows that 218 (21%) program participants were “Employable” and 821 (79%) were “Unemployable” and pursuing SSI. The Unemployable group included 536 (65%) heavy users of County services and 271 (33%) non-heavy users.

Homeless GR recipients deemed “employable” are provided the temporary housing assistance for a maximum of nine months or until they exit GR, whichever comes first. Homeless GR recipients deemed “unemployable” are provided the temporary housing assistance until they are approved for SSI, are denied SSI at the appeals level, or exit GR, whichever comes first.

⁸ DPSS considers an individual to be homeless when they:

- Lack a fixed and regular nighttime residence; or
- Have a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or
- Reside in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; or
- Have a need for housing in a commercial establishment (e.g., hotel/motel), shelter, publicly-funded transitional housing, or from a person in the business of renting properties who has a history of renting properties; or
- Receive a pay rent or quit notice (at risk); or
- Use the County DPSS office as their permanent residence address.

3. Barriers to implementing the proposed strategy and recommendation on how they can be resolved.

Increased funding is needed to enhance the program to include housing location assistance and housing-related case management and to increase the number of slots in the program.

4. Potential Performance Measures

- Ensure 90% of all housing subsidy slots are filled by GR participants.
- Percent of unemployable rental subsidy recipients who secure SSI
- Percent of rental subsidy payments for unemployable participants recovered through Interim Assistance Reimbursement following SSI approval
- Percent of employable rent subsidy recipients who exit GR with employment

5. Potential Funding Streams

- County general fund
- Interim Assistance Reimbursement of GR rental subsidy payments for individuals who are approved for SSI

Potential Strategy 9.7 Family Reunification Housing Subsidy

1. Description of the proposed strategy

This Strategy will provide rapid re-housing and case management to families in the child welfare system where the parent(s)' homelessness is the sole barrier to the return of their child(ren). The goal of this strategy is to facilitate the reunification of families who meet the following criteria:

- 1) the child(ren) are currently placed in out-of-homecare (including relative caregivers);
- 2) the parent(s) have complied with or are in substantial compliance with all court orders for the return of their children;
- 3) homelessness is the sole barrier to the return of the child(ren) to their care; and
- 4) the family is a good candidate for rapid rehousing, rather than a longer-term housing subsidy.

The Department of Children and Family Services (DCFS) has oversight of thousands of children in out-of-home care throughout Los Angeles County. Families on CalWORKs whose child(ren) are removed lose eligibility to their CalWORKs cash grant, if there is no minor child remaining the home; therefore, the removal of the child(ren) can itself result in the family becoming homeless. Moreover, since homeless parent(s) without physical custody of a child are not eligible to receive a CalWORKs grant which could be used to pay for housing, children can remain in foster care for extended periods of time. A significant number of children in out-of-home placement could be reunited with their parents, if their parents were able to obtain and sustain suitable housing.

Rapid Re-housing provides housing location services, security deposits, move-in costs and short-to-medium term rental subsidies, along with other assistance needed by low-income families to obtain and maintain housing. The purpose of rapid re-housing is to help those who are experiencing homelessness to be quickly re-housed and stabilized. Rapid re-housing connects homeless individuals and families to permanent housing through the provision of time-limited financial assistance, targeted supportive services, and case management. Financial assistance includes short-term and medium-term rental assistance and move-in assistance, such as payment for rental application fees, security deposits, utility deposits and payments. Services include client-centered case management activities, including benefits advocacy, employment services and linkage to physical and behavioral health services.

Rapid re-housing is the most effective and efficient intervention for more than 50 percent of homeless individuals and families based on available data. The success rate for permanent placement is higher and recidivism rates are lower than for other

forms of housing intervention. The Department of Housing and Urban Development has released the evaluation of the first and second years of the Homeless Prevention and Rapid Re-Housing program, finding nearly 85 percent of rapid re-housing program participants (families and individuals) exited to permanent housing.⁹

Notwithstanding the value of rapid rehousing, some families who initially appear to be well-suited to rapid re-housing may ultimately need a permanent housing subsidy. Such families should be granted priority access to a permanent, federally-funded housing subsidy. This is consistent with the current approach in the Homeless Families Solutions System (HFSS).

In this regard, a recent HUD study documented the very positive impact of permanent housing subsidies for homeless families:

Approximately 20 months after entry into shelter and random assignment, families assigned to SUB [a permanent housing subsidy] appear to be doing better than the families assigned to CBRR [community-based rapid rehousing], Project-Based Transitional Housing (PBTH), and Usual Care (UC). The families randomly assigned to SUB on average have had fewer negative experiences (homelessness, child separations, and intimate partner violence). SUB families are also somewhat more likely to live in their own place. Moreover, children in SUB families move among schools less, and families experience greater food security and less economic stress.¹⁰

Recommended Multi-Agency Coordinated Approach

To maximize effectiveness of this strategy, a multi-agency coordinated approach is needed. Potential partners include: The First 5 LA Commission, DCFS, 211, the Los Angeles Homeless Services Authority (LAHSA), the Los Angeles Dependency Lawyers (LADL), the Los Angeles County Juvenile Dependency Court (JDC), DPSS, DHS Housing for Health, Homeless Families Solutions System (HFSS) Family Support Centers and the CDC. The current Families Coming Home Together pilot program should be a point of reference for the implementation of this strategy.

Additionally, the Linkages Program between DPSS and DCFS provides services and resources that will be critical to the success of this strategy.

Target Population

Families that meet the following criteria:

- have a Family Reunification case with the Department of Children and Family Services;
- have substantially or fully complied with all orders of the court but cannot reunify due to homelessness;

⁹ <http://www.endhomelessness.org/library/entry/rapid-re-housing-a-history-and-core-components>

¹⁰ www.huduser.gov/portal/portal/sites/default/files/pdf/FamilyOptionsStudy_final.pdf

- homelessness is the only barrier to the child(ren) being returned to the parents; and
- the family is a good candidate for rapid rehousing, rather than a longer-term housing subsidy

Estimated cost per family

Because the assistance provided in rapid re-housing programs is tailored to meet the unique needs of each family, the cost per family served will vary. However, an estimated cost would be \$10,000-\$15,000 per family served. For families served through the Homeless Family Solutions System (HFSS), the 2014-15 year-end report indicated that average system costs per family for a permanent housing outcome was \$10,257.

2. Opportunities that make this proposed strategy feasible

Upon reunification, a very substantial percentage of homeless parents will be eligible to receive a CalWORKs grant and participate in the CalWORKs welfare-to-work program, including subsidized employment. For these families, DCFS can pay for rapid rehousing with funding that would otherwise be used to pay for out-of-home care for children who could not return to their parent(s) due to the parents' homelessness.

The County has allocated general fund dollars for rapid rehousing and may allocate additional funding. Families who meet the four eligibility criteria for this program, but do not include a parent eligible to the CalWORKs welfare-to-work program, could be prioritized for rapid rehousing supported with these general fund dollars.

Families for whom rapid re-housing is not ultimately successful could be prioritized for permanent federal housing subsidies, particularly through HACLA and HACOLA.

3. Barriers to implementing the proposed strategy and recommendation on how they can be resolved

Barriers include:

- Availability of affordable housing
- Adverse financial record/bad credit history/evictions
- Family size
- Need to increase income to sustain unsubsidized housing

All of these issues can be addressed through the case management and other services provided through this strategy.

4. Potential Performance Measures

- Number/percent of families and/or children placed into housing;

- Number/percent of families with housing placement within 90 days;
- Number of days from referral to housing placement (broken out by type of housing obtained, population, and SPA);
- Number and percentage of families who have retained housing after 12 months (by SPA);
- Number and percent with increased income from all potential sources at program exit;
- Number of families with no DCFS jurisdiction at program exit; and
- Number and percent of families who successfully transition to unsubsidized housing

5. Potential funding streams

- DCFS funding that would otherwise be used for out-of-home placement, absent reunification. An initial funding commitment from DCFS would enable the program to be implemented. Out-of-home placement cost savings will be tracked, based on an assumption that the child(ren) would have otherwise remained in placement for 12 additional months, and the savings will be reinvested to sustain the program on an ongoing basis. If savings exceed the cost of sustaining the program for families which include a CalWORKs parent who is welfare-to-work eligible, the “surplus savings” could be used for rapid rehousing for the other families who meet the eligibility criteria for this program.
- CalWORKs Single Allocation funding, including family reunification services for families who were receiving CalWORKs at the time that the child(ren) were removed.
- First 5 funding
- Housing Choice Vouchers, particularly from HACLA and HACOLA