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February 22, 2021

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TRANSMITTING THE COUNTYWIDE HOMELESS INITIATIVE'S YEAR FOUR PERFORMANCE EVALUATION

This memo transmits the Countywide Homeless Initiative's (HI) Year Four performance evaluation, which details Fiscal Year (FY) 2019-20 outcomes and provides analysis of results associated with both HI-funded strategies and additional groups of services rendered through the County of Los Angeles' (County) broader homeless services system (Attachment I). The report is responsive to the Board's February 9, 2016 approval of the HI strategies mandating independent evaluation of the Initiative's outcomes and performance on an annual basis. The Year Four performance evaluation was prepared by Public Sector Analytics (PSA).

The Third Year of Measure H and the First Quarter of the COVID-19 Pandemic

Year Four of HI was the third year for which Measure H revenues were available to support the Initiative. PSA's performance evaluation captures roughly one quarter of results produced under the anomalous conditions imposed by the onset of the COVID-19 pandemic in March 2020.

Permanent and Interim Housing Results Over Four Years

HI and Measure H are critical to the County's homeless services capacities, but they are components within a larger homeless services system consisting of all providers and funding sources that drive overall housing placement results.

As shown in Attachment II, Figure 1, PSA's performance evaluation credits HI with four-year cumulative totals of 30,900 permanent housing placements, which account for 42.4 percent of the larger system's permanent placements over this period. PSA's performance evaluation additionally reports a cumulative total of 52,201 interim housing placements funded in whole

or in part through HI, comprising roughly 60.9 percent of total systemwide interim placements over four years.

Permanent Housing

Measure H revenues funded all or part of the 9,857 permanent housing placements in Year Four of HI, a 2.4 percent increase over the previous year despite an 8.5 percent decline associated specifically with HI's Rapid Rehousing strategy. Growth in HI-supported placements has slowed in each of the previous two years, which underscores ongoing tightness in the supply of permanent housing. PSA reports a cumulative total of 25,050 Measure H-funded permanent housing placements in three years, accounting for 44.5 percent of systemwide placements over this period (See Attachment II, Figures 2 and 3).

Interim Housing, Including Project Roomkey

Safe distancing guidelines imposed in response to the COVID-19 pandemic compelled homeless services providers Countywide to decompress congregate shelter occupancy during the last 3.5 months of Year Four. This precipitated the first annual decline in HI-affiliated interim housing placements, but systemwide placements for the year exceeded the Year Three total by 4 percent.

In response to the COVID-19 pandemic, the County partnered with the State and Los Angeles Homeless Services Authority to administer Project Roomkey (PRK), which moved high-vulnerability homeless persons from the streets and shelters to safe distance interim housing provided in rooms at 37 participating motels and hotels across the County. PRK made shelter available to people experiencing homelessness who were at least 65 years of age and/or who had health conditions that put them at the highest risk of fatality in the event they became infected with coronavirus.

Measure H funding and the County's broad effort to strengthen the shelter system drove significant interim housing placement growth in Year Two and Year Three of HI. Systemwide placements in Year Three exceeded the pre-Measure H baseline total for Year One by approximately 153 percent. However, HI-affiliated interim housing consists primarily of congregate shelter, and the reduction in occupancies necessitated by the COVID-19 pandemic led to a 24.8 percent decrease in Measure H-supported placements in Year Four of the HI. (See Attachment II, Figures 4 and 5). Over three years, HI interim housing placements funded in whole or in part by Measure H account for 46,407 of 70,319 (66 percent) placements systemwide (See Attachment II, Figure 5).

Effective Performance in the Face of Significant Challenges

The COVID-19 pandemic placed restrictions on services at the disposal of homeless service providers. In the face of this challenge and a deepening homelessness crisis, however, outcomes reported in PSA's performance evaluation suggests HI has effectively coordinated the agencies administering the Countywide strategies. In addition to the housing placement results discussed above, the main length of time individuals with records in the Homeless Management Information System remain homeless before they are permanently housed further declined on a systemwide basis in Year Four, and HI homelessness prevention efforts for individuals and families continued to expand. Additionally, systemwide rates of return to homelessness after placement in permanent housing have fallen steadily over four years.

Implications and Next Steps

Although the size of the County's homeless population continued to grow in Year Four, PSA's analysis of homeless inflow-and-outflow notes that the crisis would be considerably worse in the absence of HI and Measure H. The results presented in the Year Four HI performance evaluation underscore the critical importance of the Initiative to the County's homeless services system. However, the continuing efforts to reverse and end the homelessness crisis must extend beyond the homeless services system and include other policy domains that can help generate the supply of affordable permanent housing required to meet the growing demand.

Should you have any questions concerning this matter, please contact me or Max Stevens, Principal Analyst, at (213) 253-5630 or mstevens@ceo.lacounty.gov.

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Attachments

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Los Angeles Homeless Services Authority

LA COUNTY'S HOMELESS INITIATIVE

Annual Performance Evaluation:
Year 4 Outcomes

JANUARY 2021

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PUBLIC SECTOR ANALYTICS

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LA County's Homeless Initiative

Annual Performance Evaluation: Year 4 Outcomes

In February 2016, the Los Angeles County Board of Supervisors formally approved a comprehensive set of strategies creating the County Homeless Initiative (HI) to combat the County's homelessness crisis, allocating \$100 million to this countywide effort. In March 2017, the County's electorate approved Measure H, a quarter-cent sales tax, which is projected to yield \$355 million per annum for ten years to fund the HI strategies to combat the homeless crisis. Using both the HI framework and this funding, the County has established and/or expanded a range of client-centered services for persons who are homeless or at risk for homelessness. Structured to produce measurable outcomes, the strategies seek to (a) prevent homelessness, (b) expand subsidized housing, (c) increase income among those who are homeless or are at risk of becoming homeless, (d) enhance homeless case management and supportive services, (e) create a coordinated homelessness service system, and (f) expand affordable and homeless housing.

This report, focusing on outcomes data from Year 4 of the HI (July 1, 2019, through June 30, 2020), is the fourth in a series of annual reports that document and assess outcomes related to the HI based upon administrative records collected by three of the largest agencies serving homeless clients in the County—LAHSA, the LA County Department of Health Services (DHS), and the LA Department of Public Social Services (DPSS). The report falls into two parts. The first, consisting of Sections 2 and 3 and Appendix A, adds Year 4 data to the series of macro-, meso-, and micro-measures, thereby updating the analyses featured in the earlier reports of this series. The second part consists of Sections 3 and 4 and Appendix B, with each section examining HI outcomes from new perspectives.

Year 4 of the study period ends after June 2020, which means that it only captures the initial 3 or 4 months of the COVID-19 pandemic. This accounts for some of the dynamics in services provision in Year 4, especially in the reduced capacity to provide interim housing related to implementing distancing measures. This is highlighted in the relevant places for this report. The report also discusses broader impacts of the pandemic that will likely be more pronounced in the upcoming year.

SECTIONS 2 AND 3 (WITH APPENDIX A) – MEASURING YEAR 4 PERFORMANCE

Year 4 outcomes are reported with the same three levels of performance measurement used in earlier years (see textbox).

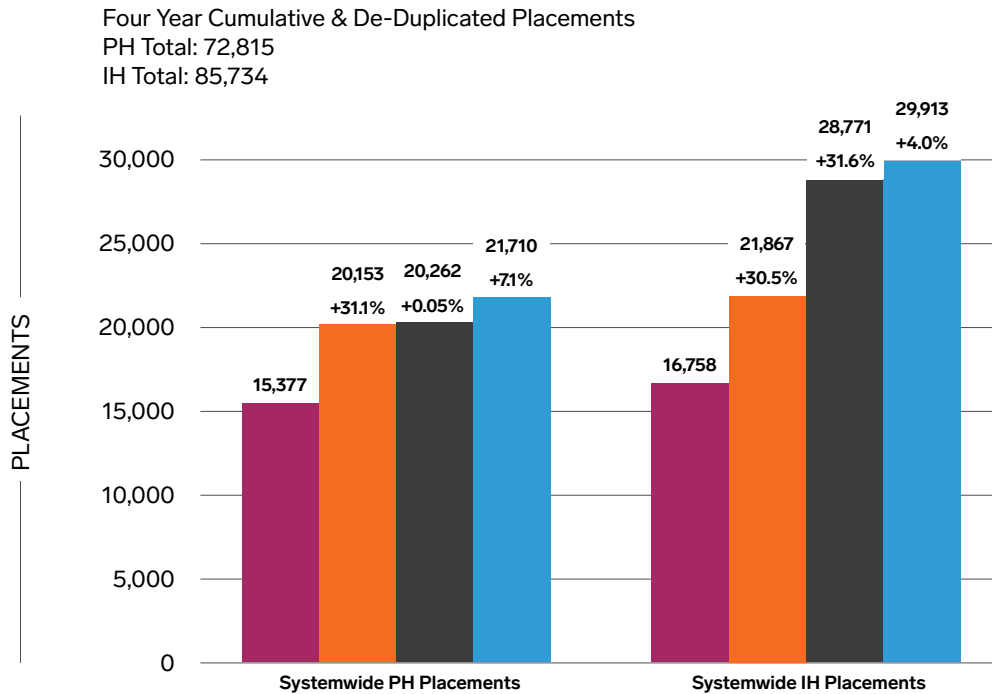
The Three Levels of Measurement within the HI Performance Evaluation Framework

- ▶ Macro-Level System Metrics gauge the performance of LA County's overall homeless services system, inclusive of HI's strategic activity, i.e., Measure H–funded services, as well as services and benefits not directly associated with the HI but nevertheless important components in the overall range of support and care available to the County's homeless population (Section 2).
- ▶ Meso-level Program Metrics are aggregations of strategy-specific outcomes section and are largely focused on HI activities and services (Section 3).
- ▶ Micro-level Performance Metrics for each of the individual HI strategies provide the foundation for the higher-order macro- and meso-level results (Appendix A).

EXECUTIVE SUMMARY

Macro-Level Measures

Figure ES-1. Annual Systemwide PH and IH Placements and Year-over-Year Increases



Section 2 of the report contains updated macro-level findings. These findings serve as a bellwether for the overall performance of the countywide homeless service delivery system. It includes the two-principal metrics of the HI (shown on Figure ES-1). **Over the first four years of the HI, the cumulative (unduplicated) systemwide exits to permanent housing from the overall homeless services system totaled 72,815 after four years, while systemwide interim housing (IH) placements totaled 85,734.**

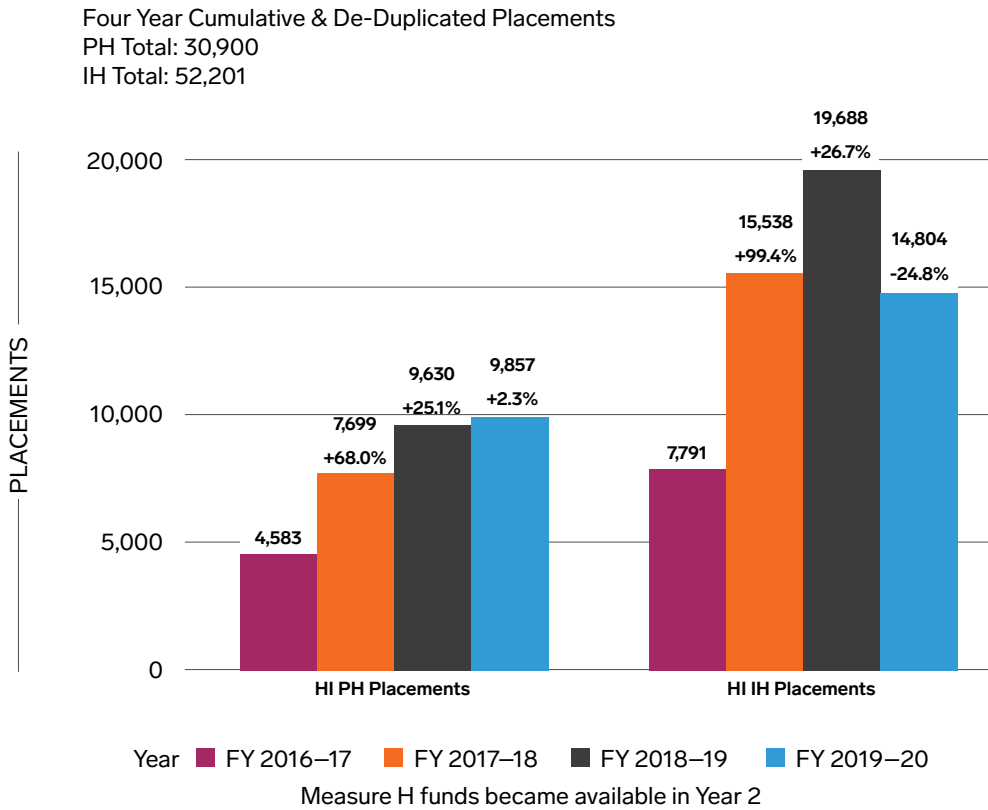
Macro-Level System Performance Measures Highlights

- ▶ Overall, results for Year 4 reinforce a trend of ongoing, modest reductions in length of time homeless, driven by substantial reductions in length of time homeless for those placed in PSH, and more recent reductions for those with self-resolved exits to PH settings (Macro-Measure 1).
- ▶ Data for Year 4 extended a trend in which the numbers of persons, both in families and in adult households, placed in PH increased modestly from the previous year. This overall net increase belies a more uneven set of increases and decreases among people placed in specific categories of PH (Macro-Measure 2).
- ▶ Rates of return, which are consistently higher for PSH placements as compared to RRH placements, decreased from 15.4% (Year 1) to 9.8% (Year 4) (Macro-Measure 3).

Section 2 also presents further findings from the three macro measures, which are summarized in the text box. In all three macro-measures, the overall results in Year 4 are markedly better than those from the Year 1 HI review.

Meso-Level Measures

Figure ES-2. Annual HI PH and IH Placements and Year-over-Year Increases



Section 3 contains updated meso-level findings. Meso-level measures serve as the “headlines” of the HI. They bridge the overarching macro-measures presented in Section 2 and the strategy-specific micro-measures that are the basis of LA County’s HI. While the macro-measures include outcomes associated with homeless-related services provided outside of the HI, the meso-level headline metrics are aggregations of strategy-specific outcomes (micro-level measures) and focus on HI activities and services.

The key finding from the meso-level measures feature the HI-specific IH and PH placements. Figure ES-2 shows that **HI strategies accounted, over the four-year period covered by the HI, for cumulative and unduplicated totals of 30,900 PH placements and 52,201 IH placements¹. Comparing this to the corresponding numbers of people placed as reported in the macro-measures, HI (and Measure H) funded close to 45% of total PH placements. In addition, HI/H either completely or partially funded roughly 66% of IH placements over four years.**

The significance of Measure H funding is observed by how, between Years 1 and 4, HI-funded permanent housing placements increased by 5.5 times (from 4,583 to 25,050), and interim housing placements increased by almost six times (from 7,791 to 46,407).

¹ HI-funded PH and IH placements shown in this evaluation are higher than those reflected in Year Four quarterly reporting for two reasons: The 8,509 Year Four PH placements shown in this report include 1,358 placements by the Department of Public Social Services (DPSS) B-1 program not previously reported in Year Four quarterly reporting because the appropriate service records were not yet available. Similarly, the 14,005 Year Four IH placements shown here include placements administered by the Department of Public Health’s Substance Abuse Prevention and Control program, the data for which were not available at the time the quarterly public reports were prepared.

Meso-Level Program Performance Measures Highlights

- ▶ In Year 4, the number of families assisted by the A1 strategy rose by approximately 50% from 1,003 in Year 3 to 1,498 and the number of individuals assisted by the A5 strategy expanded by 80% from 1,221 in Year 3 to 2,189.
- ▶ The decline in IH placements from 19,688 in Year 3 to 14,804 in Year 4 was caused mainly by the COVID-19 crisis. The County's Project Roomkey compensated for this decrease by placing almost 4,000 individuals in hotels and motels, and some of these homeless individuals would have been placed in interim housing.
- ▶ After increasing steadily over the first 3 years, B3 placements, which represent the large majority of all HI-affiliated permanent placements, dropped by 8.5% in Year 4, to 6,000 while total PH placements slightly increased reaching almost 10,000.
- ▶ Return to homelessness assistance within 6 months of placement to PH declined overall for the third straight year. This was mainly due to fewer people returning to homelessness assistance after placements in LAHSA-funded RRH programs.

As with the macro-level outcomes, key results from Section 3 are summarized in the text box.

Micro-Level Measures

Micro-level measures are the specific performance outcomes developed for each individual HI strategy and provide the foundation of the higher-order (macro and meso) results. The specific findings for these measures are available in Appendix A.

SECTIONS 4 AND 5 AND APPENDIX B – NEW STUDIES

With four years having passed since the initiation of HI, there is growing opportunity to assess dynamics related to homelessness and homeless services. This report includes three such studies.

Key Findings – Dynamics of Growth in Homeless Services and Changes in Population

- ▶ The analysis of inflows and exits suggests that the growing census is primarily a result of increases in the persistently homeless subgroup. While there has been some increase in entries, most new entries to homelessness result in exits following relatively brief homeless spells.

Dynamics of Homelessness

Section 5 presents a study that addresses the apparent paradox of why LA's homeless population, as per the annual point-in-time count, has grown by 13% in each of the past two years despite the expansion in LA's homeless services and the growth in funded exits from homelessness. The findings (see textbox) indicates that a focus on addressing persistent homelessness would have the greatest potential impact on the level of homelessness in LA. The planned growth of 10,000 PSH units over the next five years under Proposition HHH, with the first substantial number of units opening this year, holds some promise that significant progress can be made. Additional efforts to stabilize people at risk of persistent homelessness, and to prioritize existing resources towards housing them, could also contribute to a reduced census.

EXECUTIVE SUMMARY

Pre-Post Evaluation of Health and Mental Health Outcomes

- ▶ Permanent supportive housing (PSH) and rapid rehousing (RRH) services significantly reduced general medical and mental health inpatient, emergency, and crisis services use among people placed, compared to both their own levels of services used preplacement and to the control group.

Evaluating Impacts on Permanent and Interim Housing on Health and Mental Health Services Outcomes

Section 6 presents an assessment of the impact of PH placements on acute health care services in comparison to a matched control group. The findings (see text box) indicate there are reductions in services use associated with PSH and RRH placements that are not present with placements in interim housing. Indeed, service utilization appears to increase irrespective of the length of stay in interim housing. These results confirm that the benefits of HI programs extend beyond housing, with one substantial positive impact being reductions in the use of costly county-funded health and mental health services.

Appendix B features the third new study that synthesizes five evaluations that were commissioned by LA County to examine, key components of the HI. Each of these evaluations provides detailed accounts of the structure and functioning of these components: prevention, outreach, interim and bridge housing, PSH, and RRH. Each evaluation shows how HI resources expanded the services provided in these components, as well as key changes in how these services were implemented in conjunction with HI support. The evaluations show which features are effective and which need further attention; they are unable to extensively assess how the services have impacted homelessness in LA County beyond offering descriptive findings of services provided and people who have been served.

While the first two studies of this report highlight the potential for the administrative data used for the macro, meso, and micro measures to inform other aspects of the HI, the evaluations reviewed in Section 7 show the limitations of relying solely on these data in assessing the HI's impact on levels of homelessness in LA County.

Impact of COVID-19 on HI

- ▶ The continuing pandemic could have a negative impact on PH placements overall if HI funding is significantly diminished because of declining tax revenues. Furthermore, the continuing economic impact of the pandemic on incomes and rent arrears threatens to exacerbate demand for homelessness assistance. Demand for homelessness prevention is especially likely to grow amidst a pending wave of evictions.

EXECUTIVE SUMMARY

CONCLUSION

Year 4 of HI continues to show progress in the placement of people experiencing homelessness in permanent housing. Growth in persistent homelessness, however, has resulted in a net increase in the PIT two years in a row. The opening of significant numbers of PSH units under Proposition HHH over the next five years should substantially mitigate levels of persistent homelessness, as could expansions in programs to prevent persistence.

The health and economic conditions created by the COVID-19 pandemic will mean that funding for HI and expected levels of homelessness overall, in the current year and beyond, are uncertain, although continued investments in PH placements will have a clear and unambiguous positive impact on the people served.

One indicator of the impact of COVID-19 that was clearly captured in this report is the 25% decline in IH this year, representing approximately 5,000 people. This reduction has been offset by placements in Project Roomkey, the state initiative to house people at high risk of COVID-19 complications in hotels and motels. To the extent that Project Roomkey clients are exited from hotels and motels to housing, a commitment made by the County and LAHSA, this could result in a decline in the number of people experiencing homelessness this year, compared to what would otherwise be the case. The continuing pandemic crisis could lead to further Project Roomkey placements and exits to housing, including through conversion of some hotels and motels to permanent housing under Project Roomkey.

All these factors suggest that the coming year poses a number of uncertainties with respect to HI, homelessness assistance more generally, and overall levels of homelessness. A further challenge related to the changing nature of homeless services in response to the pandemic is the need to accommodate additional data sources besides those used for this report. Without incorporating the data collected on hotel and motel placements, including those under Project Roomkey, the reductions in longstanding services such as IH will present an incomplete picture of efforts to safely shelter people experiencing homelessness, and will inhibit comprehensive assessments of LA County's HI during a time when data should play an even more critical role in informing the evolving role of the strategies reviewed here.

Introduction

In February 2016, the Los Angeles County Board of Supervisors formally approved a comprehensive set of strategies creating the County Homeless Initiative (HI) to combat the County's homelessness crisis. With the creation of the HI and passage by voters of the landmark Measure H sales tax in March 2017, funding an estimated \$355 million in services annually, the County has established and/or expanded a range of client-centered services for persons who are homeless or at risk for homelessness. Development of the HI strategies occurred through a collaborative process, which was coordinated by the CEO's HI and involved not only County but also non-County stakeholders, including cities, municipal leaders, community organizations, advocates, and concerned citizens. Structured to produce measurable outcomes, the strategies seek to (a) prevent homelessness, (b) expand subsidized housing, (c) increase income among those who are homeless or are at risk of becoming homeless, (d) enhance homeless case management and supportive services, (e) create a coordinated homelessness service system, and (f) expand affordable and homeless housing.

This is the fourth in a series of annual reports that document and assess outcomes related to the HI based upon administrative data collected through LA County and the Los Angeles Homeless Services Authority (LAHSA). As such, the report reflects a continuation of the analyses that have been performed in the earlier reports in this series, in which outcomes are framed within a series of macro-, meso-, and micro-measures. With another year of data and findings, in this report we continue to track the HI as it matures, and we assess various emerging trends. Additionally, with the availability of four years of data, as well as other evaluations that are targeted on specific aspects and strategies of HI, we have expanded this report beyond the macro-, meso-, and micro-measures to focus on three additional topics, each of which adds important dimensions to our understanding of the HI.

1.1 FIRST FOUR YEARS OF THE HOMELESS INITIATIVE

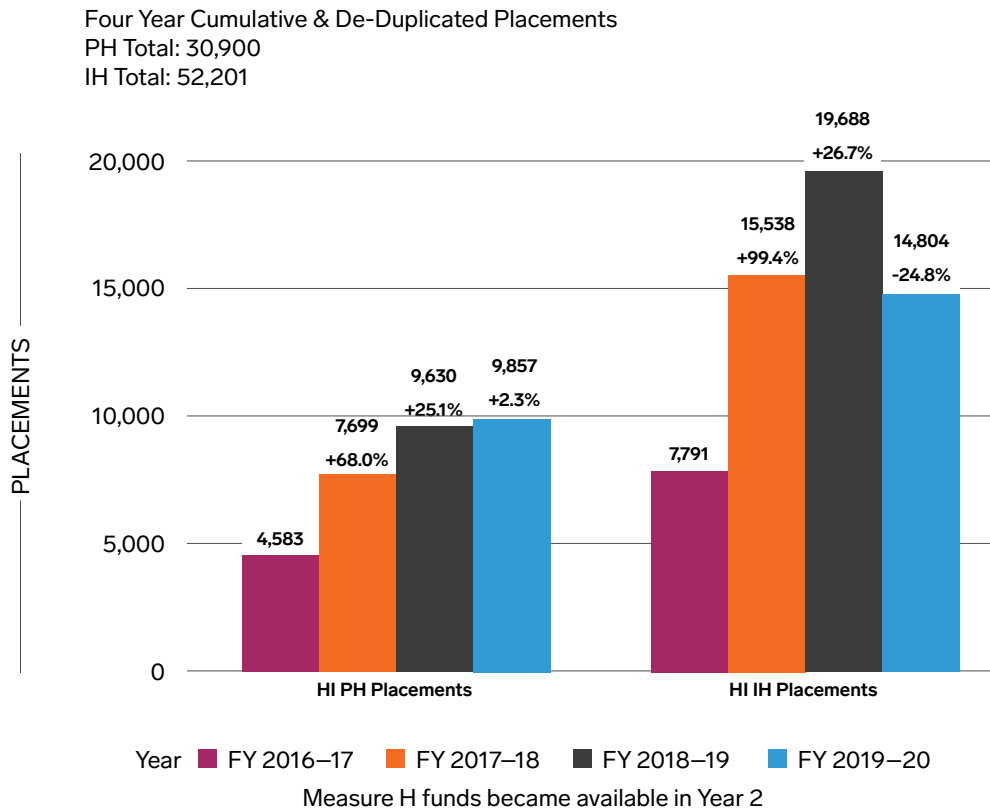
Impact of HI Funding on Permanent and Intermediate Housing Placements

- ▶ In its first four years, HI has funded over 42% of the 72,815 systemwide PH placements and roughly 60% of the 85,734 systemwide IH placements.

SECTION 1

Figure 1-1 shows the in-year counts of Permanent Housing (PH) and Interim Housing (IH) placements in the first four years of the HI²:

Figure 1-1. Annual HI PH and IH Placements and Year-over-Year Increases



- ▶ As noted in the inset of the diagram, HI strategies account for a cumulative and unduplicated total of 30,900 PH placements and 52,201 IH placements.
- ▶ After more than doubling from 4,583 to 9,630 between Years 1 and 3, PH placements stayed almost at the same level as in Year 3 with a 2.3% increase to 9,857.
- ▶ HI-funded IH placements increased by approximately 150% between Years 1 and 3 but decreased by almost 25% to 14,804 in Year 4. The decline in IH placements in Year 4 was caused mainly by “decompression” measures in response to the COVID-19 pandemic. As described below, the County’s Project Roomkey compensated for this decrease by placing almost 4,000 individuals in hotels and motels.
- ▶ While the Year 4 placement numbers do not show the substantial increases in PH and IH placements that were achieved in Year 2 and 3, HI strategies continued to place substantial number of homeless households in PH and IH.

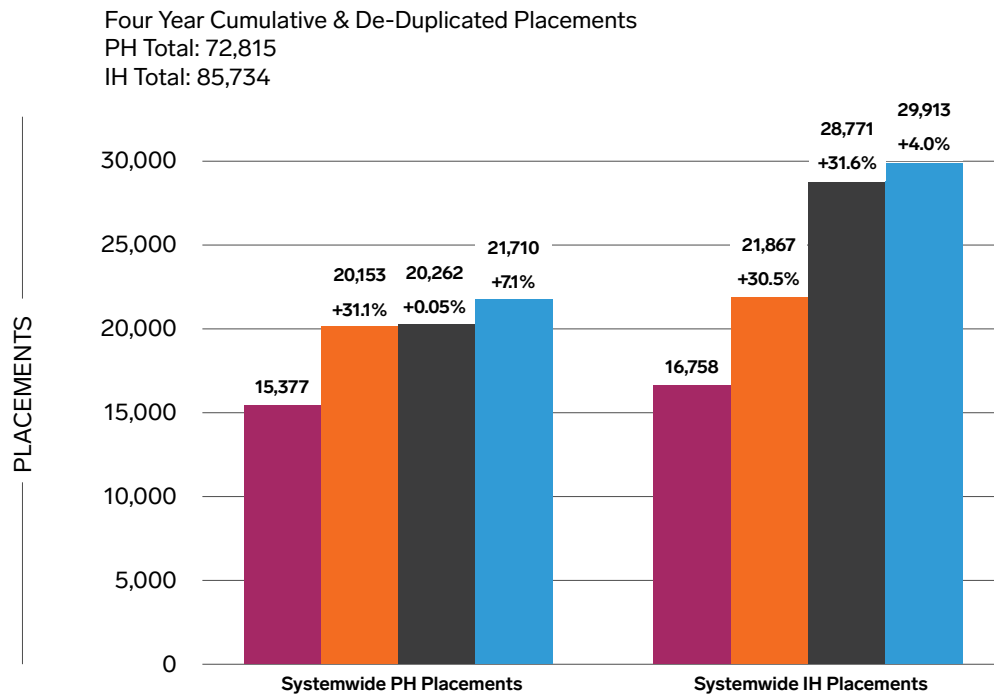
² IH placement totals include all placements funded entirely or partially with HI resources. HI-funded PH and IH placements shown in this evaluation are higher than those reflected in Year Four quarterly reporting for two reasons: The 8,509 Year Four PH placements shown in this report include 1,358 placements by the Department of Public Social Services (DPSS) B-1 program not previously reported in Year Four quarterly reporting because the appropriate service records were not yet available. Similarly, the 14,005 Year Four IH placements shown here include placements administered by the Department of Public Health’s Substance Abuse Prevention and Control program, the data for which were not available at the time the quarterly public reports were prepared.

SECTION 1

HI resources, however, do not reflect the entirety of LA County's overall homelessness services system. The macro performance metrics discussed in this report reflect a systemwide perspective, encompassing and combining HI-funded outcomes, including PH placements, with outcomes from the County's homelessness services system more broadly. Figure 1-2 shows systemwide PH and IH placements, i.e., inclusive of but not limited to those funded with HI resources, in each of the first three years of the HI:

- ▶ Systemwide cumulative and unduplicated totals for PH and IH placements were 72,815 and 85,734, respectively.
- ▶ After staying stable during Years 2 and 3 at the 20,000 level, in Year 4 the PH placements increased by 7% to 21,710.
- ▶ IH placements reached almost 30,000 in Year 4, increasing slightly (4%) after increasing by approximately 30% in Years 2 and 3.

Figure 1-2. Annual Systemwide PH and IH Placements and Year-over-Year Increases



Taken together, Figures 1-1 and 1-2 demonstrate the impact that the HI has had on the quantity of services available to those who are homeless or at risk of becoming homeless.

1.2 MEASURE H

In this report on HI outcomes, the distinction referenced between HI-funded outcomes and systemwide outcomes is also, at some key levels of measurement, a distinction between outcomes funded by Measure H revenues and outcomes inclusive of but not limited to those funded by Measure H.

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In March 2017, voters resoundingly approved Measure H, the landmark ¼ percent County sales tax increase meant to create an ongoing revenue stream — an estimated \$355 million per year for ten years — to fund homeless services, rental subsidies, and housing. The tax increase would provide funding for a comprehensive regional approach encompassing 21 interconnected strategies. These Measure H funds became fully available in Year 2 of the HI. In Year 1, the County had allocated \$100 million to launch these strategies, and then continued to approve annual budgets thereafter, which by FY 2019-20 consisted of a \$460 million spending plan that widened and intensified the County’s fight against homelessness.

HI Funding Impact and Point-in-Time (PIT) Count

- ▶ Despite the significant increases in permanent and interim housing capacity related to Measure H resources (see previous section), LAHSA’s 2020 PIT count showed a 13% increase in the size of the homeless population on a given night over the 2019 PIT count.
- ▶ Without the HI efforts, this PIT count increase would likely have been substantially higher.

Figure 1-3. Measure H and non-Measure H Shares of Systemwide PH and IH Placements

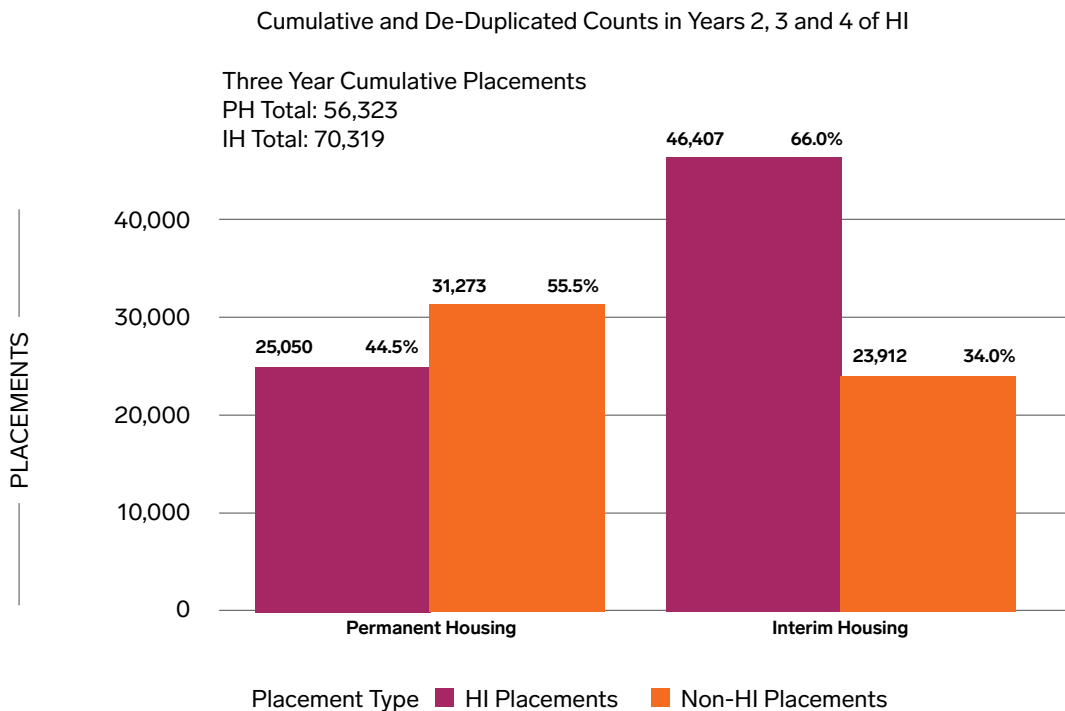


Figure 1-3 shows both the Measure H and the non-Measure H shares of systemwide PH and IH placements for HI in Years 2 through 4. Year 1 was dropped from this figure as HI funds were not yet available. The cumulative counts reflect unduplicated counts over Years 2 through 4:

- ▶ There were 4,583 HI placements to PH in Year 1 (pre-Measure H; see Figure 1-1), and a cumulative total of 25,050 Measure H–funded PH placements in Years 2 through 4. This cumulative total represents a 5.5-fold increase over the Year 1 total.
- ▶ Cumulative HI-funded IH placements over three years of Measure H funding (Years 2 through 4) total 46,407. This reflects a six-fold increase relative to the baseline Year 1 total (7,791 placements; see Figure 1-1).

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- ▶ As of the end of Year 4, Measure H funds have accounted for 44.5% of cumulative PH placements and 66.0% of cumulative IH placements over the three years during which these revenues have been available.

1.3 CONTINUING CHALLENGES

This report shows the continuation of HI's strong performance in its fourth year. However, these gains were obscured by the continuing upward trend in the annual point-in-time (PIT) homeless counts conducted by LAHSA³. This creates a challenge of reconciling the significant expansion of the County's homelessness service system in conjunction with Measure H with the increase in the homeless population. Given the capacity increases in both permanent and interim housing established over the previous four years, the increase in the PIT count numbers highlighted how factors largely beyond the purview and control of the HI affect the scale and scope of the County's homeless crisis. In section 5, we look at this further and study the homeless numbers in the County with the help of a flow analysis. Based on this, we demonstrate how the rising scale of homelessness is attributable to a growing proportion of the homeless population that is becoming persistently homeless.

The inability of this growing group to escape homelessness is beyond the scope of this report. However, we can address here some macro issues that not only steadily produce new homeless households but also prevent these homeless households from escaping homelessness quickly and thereby cause them to become persistently homeless over time.

It is useful to frame discussions of the 2019 and 2020 homeless counts by comparing the year-over-year change in LA County against the change in other key California counties. Except for San Diego County, all other Counties show increases in their last two PIT counts.⁴ Situating Los Angeles County's homeless crisis as part of a more general statewide problem is important in framing the significance of Measure H. That the growth of LAHSA's 2019 homeless count would have been higher in the absence of Measure H is, by extension, a key to the substance of communication with the public about the performance of the HI strategies. These concepts may be limited in their ability to immediately satisfy expectations of tangible and observable results, but for the concepts to have even limited resonance, the factors and dynamics upon which they are based must be clearly understood and identified.

Two factors are at the basis of the mechanism responsible for expanding the homeless population: housing affordability and systemic racism. The former is related to the supply of affordable housing, rents, and incomes. The latter leads to a disproportionate number of Black people becoming homeless in Los Angeles County, where 8% of the overall population is Black, but Black people represent 34% of those experiencing homelessness.⁵

The continued upward trend in the real estate market has driven rents to levels recognized as beyond affordability for increasingly large sections of working families and individuals. People who rely on safety net incomes, such as the aging, disabled, and unemployed populations, are particularly affected by these housing cost and supply pressures. As these market forces push rents out of alignment with renter incomes, they also exacerbate difficulties that public agencies experience in acquiring properties and land that can be used to develop affordable and homeless housing. As of 2019, Los Angeles County had a shortfall of approximately 517,000 affordable homes to meet current demand among renter households at or below 50% of Area Median Income. In addition, more than 550,000 households in Los Angeles County are severely rent-burdened, meaning that they spend more than half of their income on housing.⁶ In addition to an inadequate supply of affordable housing, wages in Los Angeles have not kept pace with rents, increasing the demand for this tight supply. A worker needs to earn \$41.96 per hour — 2.8 times the minimum wage in the City of Los Angeles — to afford the average monthly asking rent of \$2,182.⁷

³ The increase in LAHSA's 2020 PIT tally for LA County, at 66,436 persons, was up from 58,936 in 2019 and 52,765 in 2018.

⁴ See LAHSA 2019 and 2020 Los Angeles Homeless Count presentations.

⁵ See LAHSA 2020 Los Angeles Homeless Count presentation.

⁶ See California Housing Partnership (2020) Annual Affordable Housing Outcomes Report. Available at: <https://chpc.net/resources/los-angeles-county-annual-affordable-housing-outcomes-report-2020/>.

⁷ See LAHSA 2020 Los Angeles Homeless Count presentation.

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The net effect is an acceleration in homeless inflow, which includes the number of individuals and families becoming newly homeless from one year to the next and those households failing to exit after becoming homeless. The annual PIT homeless count increases when the pace of homeless inflow exceeds the homelessness service system's capacity to absorb and house those who become homeless.

As noted above, the factors responsible for fueling much of the inflow problem – systemic racism, housing supply, rents, and incomes – are beyond the homelessness policymaking domain. Since inflow is a key challenge that will continue to affect the County's efforts to combat homelessness and the outcomes produced through these efforts, we will return to this topic in section 5 and the conclusion, with the intention of identifying how and where the HI and the County's homelessness service system can potentially contribute to solutions.

HI Funding Impact and Point-in-Time (PIT) Count

- ▶ Project Roomkey, by placing people in the homeless population who are particularly vulnerable to COVID-19 into hotel and motel rooms to facilitate isolating and practicing social distancing, seeks to reduce their likelihood of contracting COVID-19.
- ▶ Project Roomkey generated more than 4,000 available beds and by the end of Year 4, and has brought almost 4,000 people experiencing homelessness into hotel and motel sites.

1.4 PROJECT ROOMKEY

Another key challenge to the County's efforts to combat homelessness crisis is the COVID-19 pandemic that commenced in the second half of Year 4. The County took several initial measures to reduce the spread of COVID-19 by instituting a shelter at home order, implementing social distancing measures, and taking steps to protect vulnerable populations experiencing homelessness, who face higher risks of hospitalization and death if infected with COVID-19 because of their high rates of underlying health conditions.

In response to this pandemic, a major initiative of the County was Project Roomkey, which was a partnership with LAHSA, the State, and 37 private hotel and motel operators to secure beds for people experiencing homelessness who are highly vulnerable to complications if they become infected with COVID-19 — those who are over 65 and/or have chronic health conditions.

In addition to the launching of Project Roomkey, on May 12, 2020, the Board of Supervisors approved a motion directing LAHSA to work with partner agencies to develop a recovery plan for homelessness. The Recovery Plan includes strategies to facilitate permanent housing solutions over a three-year period and to increase homeless prevention efforts, including advocacy to strengthen tenant protections to keep people in their homes. These are the plan's major targets:

- ▶ Prevent anyone sheltered through Project Roomkey or any of the other COVID-19-response interim housing from returning to unsheltered homelessness;
- ▶ Move 15,000 of Los Angeles County's most vulnerable people experiencing homelessness into housing as rapidly as possible, in addition to the thousands that the Los Angeles homeless system already expects to house;
- ▶ Reduce inflow into homelessness by ensuring that upstream systems take measures to keep people in their homes and intensify prevention efforts; and
- ▶ Address racial equity, given that homelessness disproportionately impacts the Black population in Los Angeles and is expected to increase with COVID-19.

During the initial lease-up phase of fiscal year 2020-21 and contingent on available funding, up to 15,000 people would be moved into a "bridge" unit with deeply subsidized rents and varying levels of services depending on their needs. Once housed, participants will be continuously assessed and supported in exiting to permanent housing through several

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pathways, depending on their acuity of need. People with higher acuity will receive long-term support. Those with slightly lower acuities will receive a 15-month recovery rehousing subsidy with supportive services, or a 9-month recovery rehousing subsidy, or problem-solving and one-time financial assistance to promote exit into permanent housing. In addition to the rehousing component, the recovery plan promotes scaling up LAHSA-funded prevention programming by 50% and strengthening upstream prevention efforts, including tenant protections, to keep people in their homes.

LAHSA has projected that the COVID-19 Recovery Plan will cost \$806.6 million over the next three fiscal years; \$609.2 million of this total represents new costs over the three-fiscal year period. The County has allocated substantial funding for implementation of the Recovery Plan, but additional funding is needed from other levels of government to support full implementation of the Recovery Plan.

1.5 DATA SOURCES

Our analysis of HI performance and outcomes in Year 4 is informed by administrative records collected by two of the largest agencies serving the County's homeless population.

- ▶ The LA County DHS administers the County's publicly run network of hospitals and other medical facilities and services. In addition to health and medical services, DHS provides homelessness care and support through several programs. The DHS homelessness services included in this report's measures are recorded in the department's Comprehensive Health Accompaniment and Management Platform (CHAMP) system.
- ▶ The LAHSA is the coordinating agency over the Greater Los Angeles (GLA) Continuum of Care (CoC), which is a HUD jurisdiction that encompasses most of LA County. Services administered through LAHSA are recorded in the homeless management information system (HMIS) for the GLA CoC.⁸

Since all source data systems include clients with multiple IDs over the four years of HI implementation, a robust entity-resolution process was completed to assign unique IDs to all persons studied. After de-duplication of all clients in these records within and across the two agencies, selected performance measures were assessed using descriptive statistical methods.

1.6 ORGANIZATION OF THIS REPORT

In keeping with the approach taken in the performance evaluations for HI's first three years, our analysis of Year 4 moves from the homelessness service system overall, to the HI at an aggregated program level, to individual HI strategies:

- ▶ **Section 2** of this report focuses on the macro-level systemwide performance measures that aggregate outcomes associated with strategies and services funded through Measure H and the HI, as well as outcomes tied to activity not funded through Measure H/HI but nevertheless provided through the County's homelessness service system more generally.
- ▶ **Section 3** examines outcomes at the meso or program level, where HI strategies in common programmatic areas (inclusive of H- and non-H-funded activity) are aggregated in headline metrics.
- ▶ **Section 4** provides an assessment of homeless counts with a flow analysis, which analyzes monthly entries into and exits from homelessness using the HMIS data.
- ▶ **Section 5** provides a pre-post evaluation of health and mental health outcomes for households placed by HI using HMIS and DHS data.
- ▶ **Section 6** concludes with thoughts on outcomes examined in this report and provides policy recommendations.
- ▶ **Appendix A** provides a summary of the performance of selected individual HI strategies.
- ▶ **Appendix B** provides a review of recent evaluation studies on HI strategies within the context of this evaluation.
- ▶ **Appendix C** is the Technical Appendix providing additional technical details on sections 4 and 5.

⁸ The cities of Long Beach, Pasadena, and Glendale are outside the GLA CoC. LAHSA made outcomes data on HUD-funded services for these cities available to us for this evaluation.

Macro-Level System Performance Measures

The macro-level metrics covered in this section represent three key performance indicators for LA County's overall homelessness service system. This means that outcomes shown here transcend HI-related services to include all services and benefits provided by other supports and care available to the County's homeless population. As such, they are a bellwether for the overall performance of the countywide homeless service delivery system.

The outcomes reported in this section include those from the three previous years of results (reported in previous HI reports) as well as those outcomes from Year 4 (FY 2019–20). With each year of additional data, longitudinal trends will become more apparent. As with past reports, there are three macro-level performance measures:

- ▶ The duration between entering the homeless services system and exit to housing;
- ▶ The number of homeless households (both families and individuals) placed into housing; and
- ▶ Returns to homelessness following placement into housing.

Macro-Level System Performance Measures Highlights

- ▶ Overall, results for Year 4 reinforce a trend of ongoing, modest reductions in length of time homeless, driven by substantial reductions in length of time homeless for those placed in PSH, and more recent reductions for those with self-resolved exits to PH settings.
- ▶ Data for Year 4 extended a trend in which the numbers of persons, both in families and in adult households, placed in PH increased modestly from the previous year. This overall net increase belies a more uneven set of increases and decreases among people placed in specific categories of PH.
- ▶ Rates of return, which are consistently higher for PSH placements when compared to RRH placements, decreased from 15.4% in Year 1 to 9.8% in Year 4.

2.1 MACRO-MEASURE 1: LENGTH OF TIME HOMELESS FROM INITIAL CONTACT WITH THE HOMELESSNESS SERVICE SYSTEM

Length of time homeless is operationalized as the time from assessment to a placement in PH. Here three different types of placements are assessed: placements in PSH; residential move-ins with RRH assistance (people who moved into PH with or without an RRH subsidy); and other exits to PH through self-resolution and other means (private market rental, stable arrangements with family or friends, etc.) The data for this measure came from homeless services provided through providers who contributed services use data to the HMIS maintained by LAHSA. Services provided through DPSS and DHS were not included because assessment dates for the housing placements were not available.

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Figure 2-1. Median Days Between Assessments and PH Placements by Placement Type

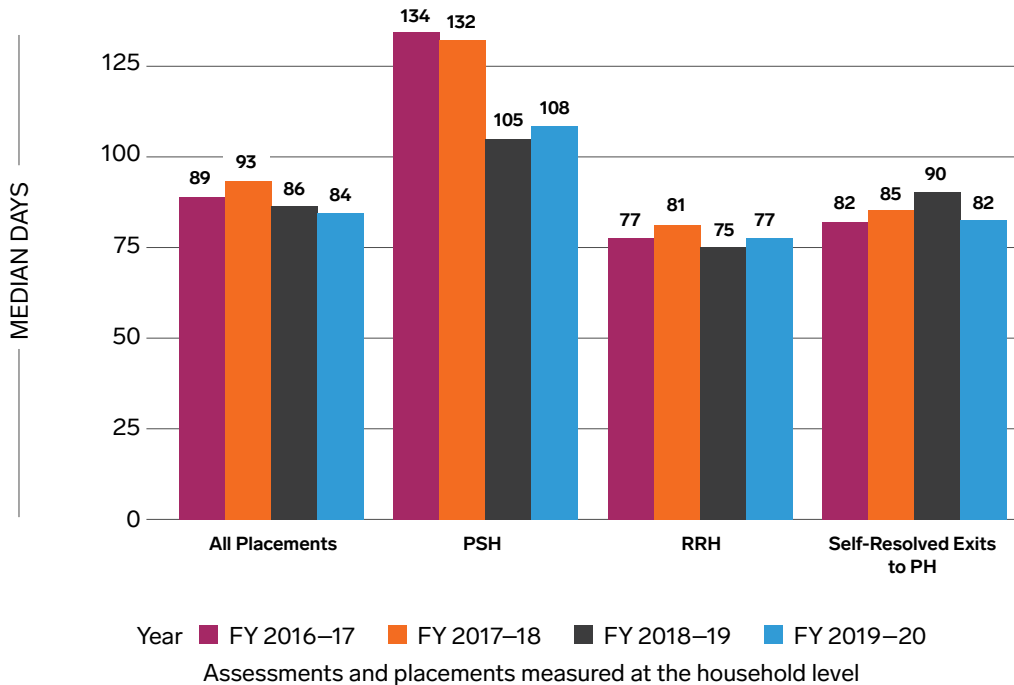


Figure 2-1 shows the median times between assessment and placement measured at the household level. Only data from placements where an assessment date could be aligned with the placement were used for the length of homeless measures (assessment data were not available for all placement episodes):

- ▶ The combined median duration to placement was 84 days in Year 4, 2 days shorter than the 86-day median in Year 3 and 5 days shorter than the 89-day median in Year 1.
- ▶ The longest time between assessment and placement was for PSH placements, at 108 days. The number of average days from assessment to RRH placements and self-resolved exits to PH—77 and 82 days, respectively—is slightly less than the mean length for all placement types.
- ▶ The median duration to placement was 77 days for assessments with a VI-SPDAT score 9 or lower and 105 days for scores higher than 9 (not shown in figure). Those in the latter group would most likely receive a PSH placement, compared to the other two housing types.

Overall, results for Year 4 reinforce a trend of ongoing, modest reductions in this macro-measure, driven by substantial reductions in length of time homeless for those placed in PSH, and more recent reductions for those with self-resolved exits to PH settings.

2.2 MACRO-MEASURE 2: PLACEMENTS IN PERMANENT HOUSING

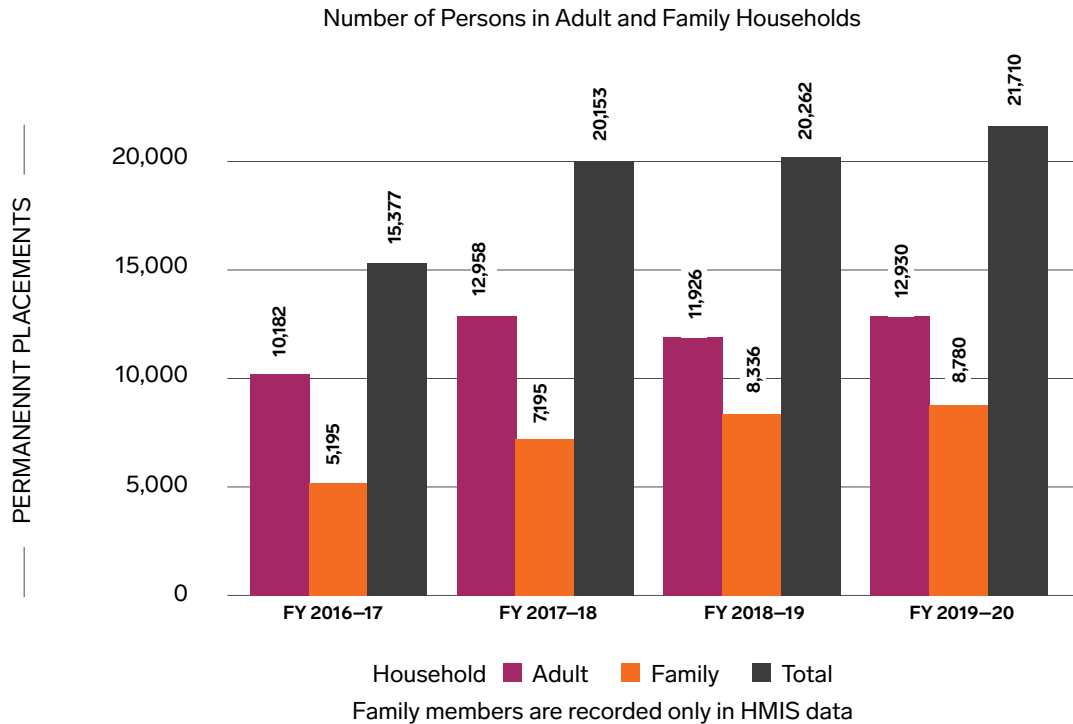
One of the central performance measures for a homeless services system is the number of exits to PH over a given year. This macro-measure tallies the number of exits to PH in Year 4, and compares this to the same macro-metric for prior years.

The data for this measure came from three sources. HMIS (maintained by LAHSA) tracks PH placements that occur in conjunction with individuals and families using homeless services, including placements in PSH, residential move-ins following RRH assistance, and other self-resolved PH placements (private market rental, stable arrangements with family or friends, etc.). Additional data come from DHS, which record PSH and RRH placements. Finally, data from DPSS record

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the number of PH subsidies provided to homeless individuals pursuing Supplemental Security Income (SSI) through DPSS's General Relief Housing Subsidy and Case Management Program.

Figure 2-2. Number of Permanent Placements over 4 Years



Figures 2-2 and 2-3 show the findings of placements in PH. All numbers reflect unduplicated counts of placements in PH. If an exit from DHS was also recorded in HMIS, that placement is only shown under a DHS placement type.

Figure 2-2 demonstrates permanent placements for persons in adult households (i.e., no children present in households) and for family households (i.e., with children) separately as well as for all households:

- ▶ The number of people in all households exiting to PH placements increased from 20,262 to 21,710 between Years 3 and 4.
- ▶ In Year 4 there were 12,930 unduplicated people in adult households, and 8,780 people in family households who exited homelessness to PH destinations.⁹
- ▶ The number of people in adult households exiting to PH placements increased by almost 1,000 (8.4%) in Year 4. Correspondingly, the number of people in families exiting to PH increased by 444 (5.3%) in Year 4.
- ▶ The proportion of family members among all persons exiting to PH (40.4%) barely decreased in Year 4 after increasing from 33.8% to 41.1% between Years 1 and 3.

⁹ Family members are only recorded in HMIS data. In DHS data all persons are assumed to belong to adult households even though some may be in family households.

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Figure 2-3. Number of Permanent Placements over 4 Years

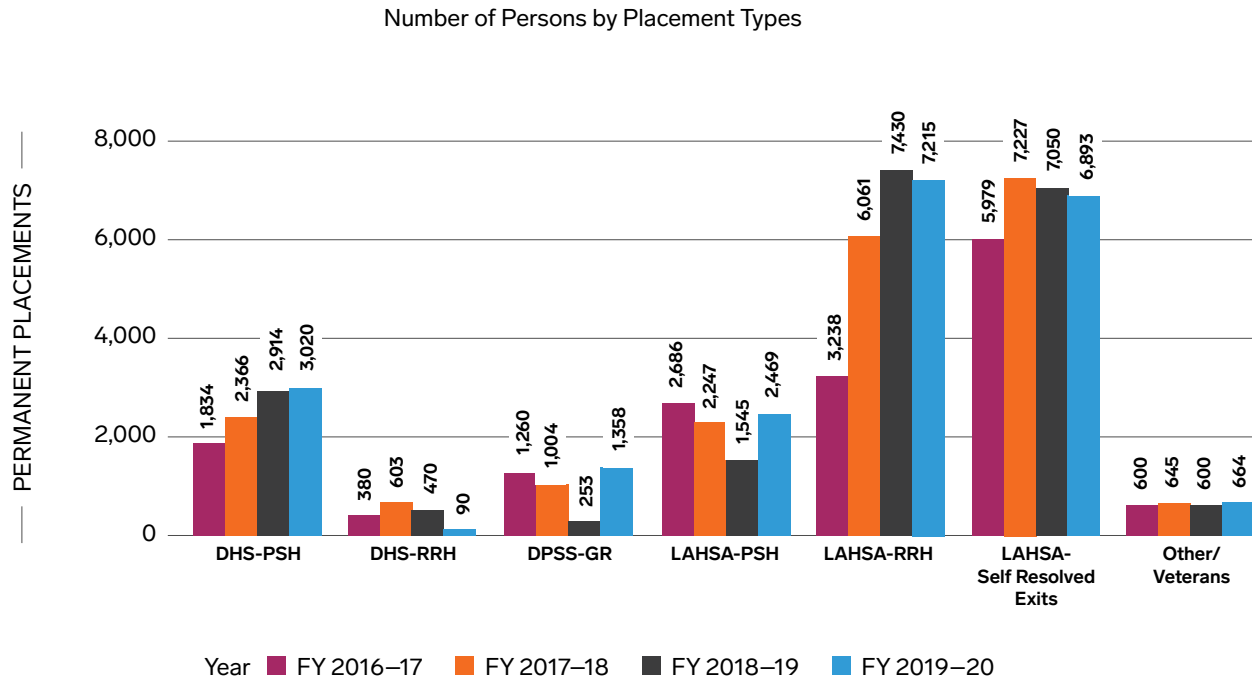


Figure 2-3 demonstrates the number of permanent placements for all persons, regardless of household type, broken down by placement type:

- ▶ Residential move-ins to RRH program and self-resolved exits (both tracked by LAHSA HMIS) were the program types with the highest number of PH exits. Each type of exit represented approximately one third of all people exiting to some form of PH. Neither had significant changes in numbers of people placed from Year 3 to Year 4.
- ▶ The largest increases were observed for LAHSA PSH placements, which 2,469 people received in Year 4 (an increase of 59.8%). Over 5,400 PSH placements were recorded by LAHSA and DHS combined in Year 4.
- ▶ DPSS B1 subsidy new referrals/enrollments and placements for General Relief participants, suspended from March 2018 to February 2019. After the suspension was lifted, DPSS added 1,358 new placements in Year 4. The increase in the number of people placed in this relatively small category corresponds to the size of the overall increase in the number of people placed into PH in Year 4.
- ▶ The Other/Veterans category reflects the placements of veteran homeless individuals in PH provided by US Department of Veteran Affairs and other placements (not recorded in HMIS), such as placements provided from the Los Angeles County Development Authority Housing Choice Voucher program.

Taken together, data for Year 4 extended a trend in which the numbers of persons, both in families and in adult households, placed in PH increased modestly from the previous year. This overall net increase belies a more uneven set of increases and decreases among people placed in specific categories of PH.

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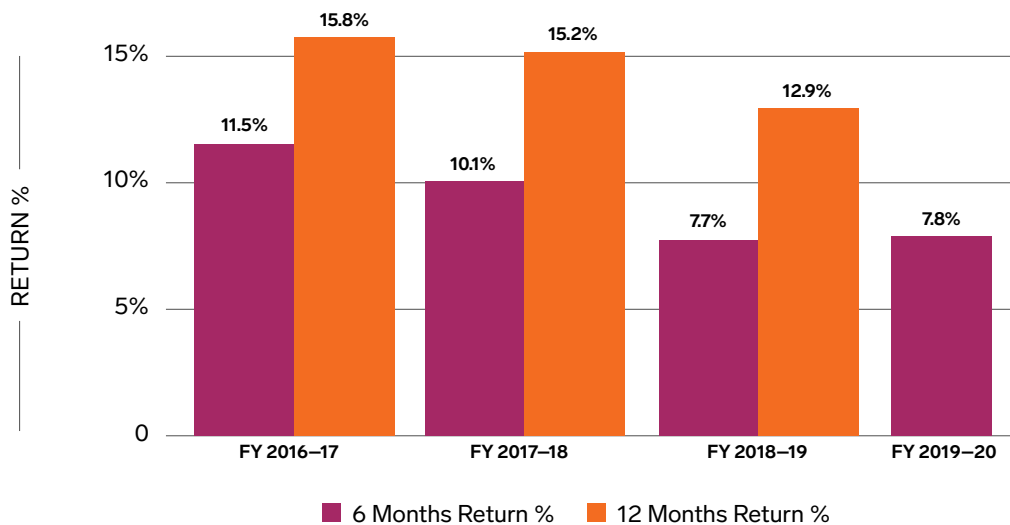
2.3 MACRO-MEASURE 3: RETURNS TO HOMELESSNESS FOLLOWING A PERMANENT HOUSING PLACEMENT

The third and final macro performance measure is the proportion of individuals and families tallied in the system-level metric as exiting to PH who subsequently returned to homelessness. This measure of returns to homelessness indicates the degree to which exits to PH reflect successful and sustained exits. More specifically, we measured the proportion of exits to PH for homeless households (adult and family) in which they subsequently re-entered the homeless service system within 6 and 12 months after exiting. The data sources for this analysis were the same as those used to assess the numbers people exiting to PH in section 2.3.

Return to homelessness is operationalized as individuals and families leaving homelessness for a PH placement only to use homeless services again within 6 and 12 months of the placement, as recorded in HMIS. Household records included here are for those who exited in the first two quarters of the respective fiscal years, providing an opportunity to follow them for 6 and 12 months.

Figure 2-4. Rates of Return to Homelessness over 4 Years

Returns within 6 and 12 Months of Permanent Placements



Total Permanent Placements - Denominators:

FY 2016-2017=9,263

FY 2017-2018=9,831

FY 2018-2019=9,986

FY 2019-2020=10,243

Figure 2-4 shows the rates of return to homelessness assistance. For each of the HI years, the PH placements examined were from those who exited in the first half of each year:

- ▶ After decreasing from 11.5% to 7.7% between Years 1 and 3, the 6-month return rate increased slightly to 7.8% in Year 4.
- ▶ Return rates over 12 months, which are only available for the first three years, dropped from 15.8% in Year 1 to 12.9% by Year 3.

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Figure 2-5. Rates of Return to Homelessness over 4 Years by Placement Years

Returns within 6 Months of Permanent Placements

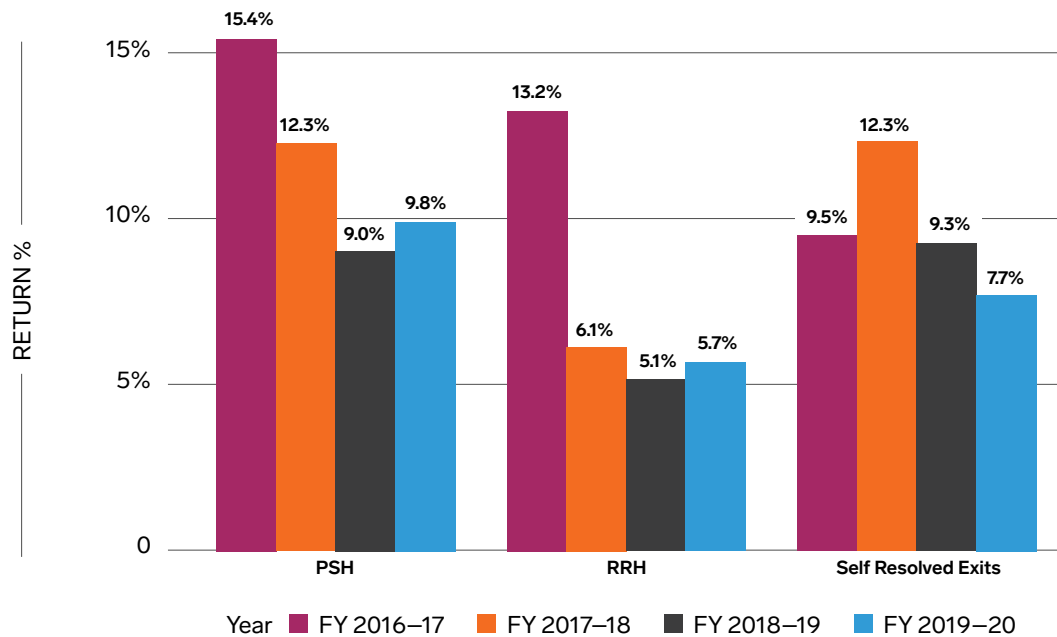


Figure 2-5 illustrates the rates of return within six months by placement type:

- ▶ In Year 4, rates increased from 9% to 9.8% for PSH placements while decreasing from 9.3% to 7.7% for self-resolved exits.
- ▶ Rates of return, which are consistently higher for PSH placements when compared to RRH placements, decreased from 15.4% in Year 1 to 9.8% in Year 4.

2.4 SECTION CONCLUSION

Results from Year 4 were presented with results from the first three years for the three macro-level performance measures:

- ▶ A small net decrease (86 days to 84 days) in the median number of days between initial assessment and exit to permanent housing (macro-measure 1).
- ▶ Notable increases in the numbers of people in adult households (8.4%) and in family households (5.3%) exiting to PH placements (macro-measure 2).
- ▶ A slightly higher 6-month rate of return to homelessness (7.7% to 7.8%) (macro-measure 3).

Here, macro-measures 1 and 3 reflect a slight increase and a slight decrease from Year 3, with macro-measure 2 showing a more substantial, favorable outcome in Year 4. In all three macro-measures, the overall results in Year 4 are markedly better than those from the Year 1 HI review.

Meso-Level Program Performance Measures

Meso-level measures serve as the “headlines” of the HI. They bridge the overarching macro-measures presented in Section 2 and the strategy-specific micro-measures that are the basis of LA County’s HI, which are summarized in the next section. While the macro-measures include outcomes associated with homeless-related services provided outside of the HI, the meso-level headline metrics are aggregations of strategy-specific outcomes (discussed in the next section) and are focused on HI activities and services.

This section presents outcomes for four meso-level measures for which outcomes were available in Year 4. As with the macro-level measures, having outcomes from earlier years provides a benchmark and comparison point for Year 4 outcomes presented here. Four meso-level measures are covered in this section:

- ▶ Number of persons/households prevented from becoming homeless or being discharged into homelessness;
- ▶ Number of persons/households placed in IH (e.g., shelter and bridge housing, transitional arrangements, housing for those in recuperative care, and residential services provided to persons receiving treatment for substance use disorders);
- ▶ Number of persons/households placed in PH, inclusive of subsidized and unsubsidized PH, RRH, and PSH; and
- ▶ Number of people/households who retained PH from date of placement.

Meso-Level Program Performance Measures Highlights

- ▶ In Year 4, the number of families assisted by the A1 strategy rose by approximately 50% from 1,003 in Year 3 to 1,498 and the number of individuals assisted by the A5 strategy expanded by 80% from 1,221 in Year 3 to 2,189.
- ▶ The decline in IH placements from 19,688 in Year 3 to 14,804 in Year 4 was caused mainly by the COVID-19 crisis. The County’s Project Roomkey compensated for this decrease by placing almost 4,000 individuals in hotels and motels, and some of these homeless individuals would have been placed in interim housing.
- ▶ After increasing steadily over the first 3 years, B3 placements, which represent the large majority of all HI-affiliated permanent placements, dropped by 8.5% in Year 4, to 6,000 while total PH placements slightly increased reaching almost 10,000.
- ▶ Returns to homelessness assistance within 6 months of placement to PH declined overall for the third straight year. This was mainly due to fewer people returning to homelessness assistance after placements in LAHSA-funded RRH programs.

SECTION 3

3.1 MESO-MEASURE 1: NUMBER PREVENTED FROM BECOMING HOMELESS OR BEING DISCHARGED INTO HOMELESSNESS

This headline measure counts households receiving prevention assistance in the wake of experiencing a housing emergency that met stated criteria for imminent risk of homelessness. Two of the five individual strategies, A1 (which directly addresses prevention of family homelessness) and A5 (which directly addresses prevention of individual homelessness), are summarized below based on LAHSA data.

Figure 3-1. Number of Households and Individuals Prevented from Becoming Homeless
A1 - Households and A5 - Individuals

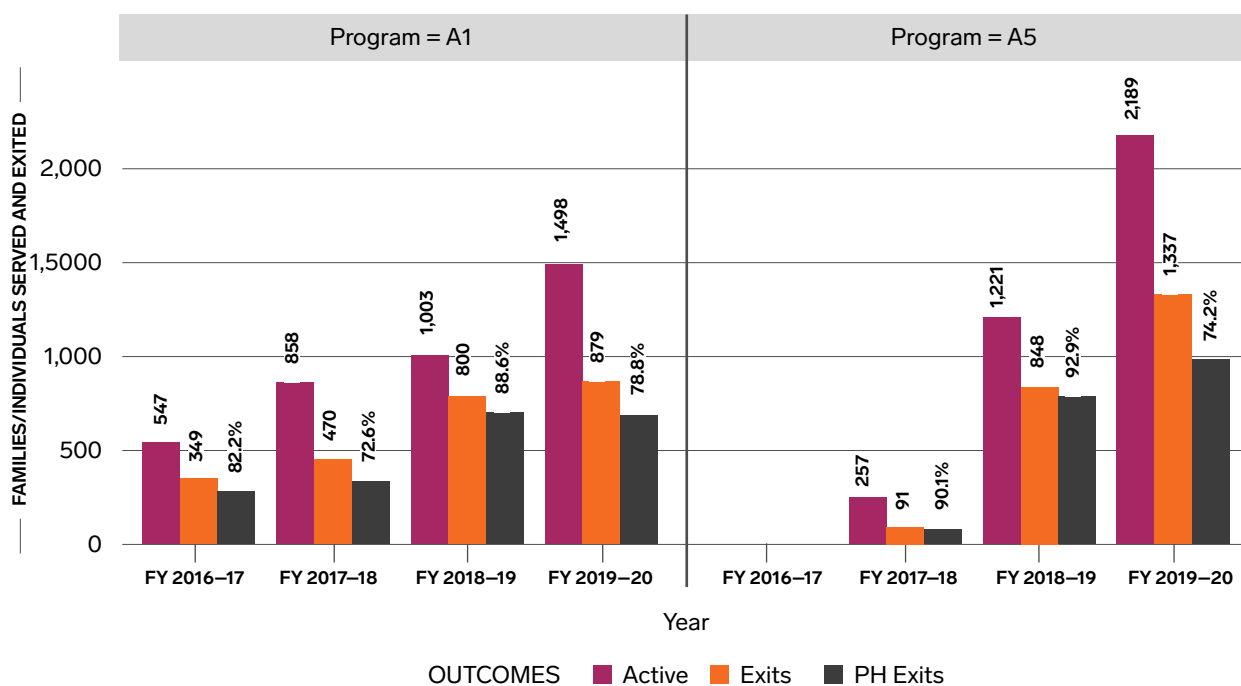


Figure 3-1 shows the number of households and individuals prevented from becoming homeless over the four years of HI. A5 results were not available for Year 1 because A5 was not implemented until February 2018. For each year, the figure shows three bars: the number of active participants, the number exiting the program, and the number (with percent of overall exits) of those exiting to PH destinations (the red bar height shows the PH exits and the label shows the percentage).

- ▶ The number of families assisted by the LAHSA A1 strategy continued to increase since Year 1 and rose by approximately 50% from 1,003 in Year 3 to 1,498 in Year 4.
- ▶ However, the number of A1 families exiting the program increased by only 10% — from 800 to 879 — in Year 4. Among the exiting families, the number that exited to permanent housing decreased slightly from Year 3 (from 709 to 693), reflecting a decreased proportion of exiting A1 families who went into PH (from 89% to 79%) in Year 4.
- ▶ In FY 2019-20, 2,189 individuals were assisted by the LAHSA A5 strategy, reflecting an expansion of almost 80% relative to Year 3. The number of individuals who exited the program also increased substantially, from 848 to 1,337.
- ▶ However, the proportion of individuals who exited the A5 program that retained (or made the transition into other) PH dropped from approximately 93% to 74%.

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3.2 MESO-MEASURE 2: NUMBER WHO ARE PLACED IN INTERIM HOUSING

HI strategies providing IH services address the need for increasing the supply of safe temporary accommodations for those who otherwise have nowhere to spend the night. Ideally, the temporary orientation of these facilities means short stays and placements into longer-term housing arrangements.

The measures of two of the IH strategies, B7 (Interim/Bridge Housing for Those Exiting Institutions) and E8 (Enhance the Emergency Shelter System), are consolidated in this meso-level measure. Analysis of Strategies B7 and E8 draws on data from LAHSA/HMIS and DHS/CHAMP. The DPH placement number was provided by DPH and may include some of the persons served by LAHSA or DHS programs.

We present below the use of IH both systemwide and for only those households (single adults and families) that received IH through HI strategies.

Figure 3-2. Number of Interim Placements over 4 Years

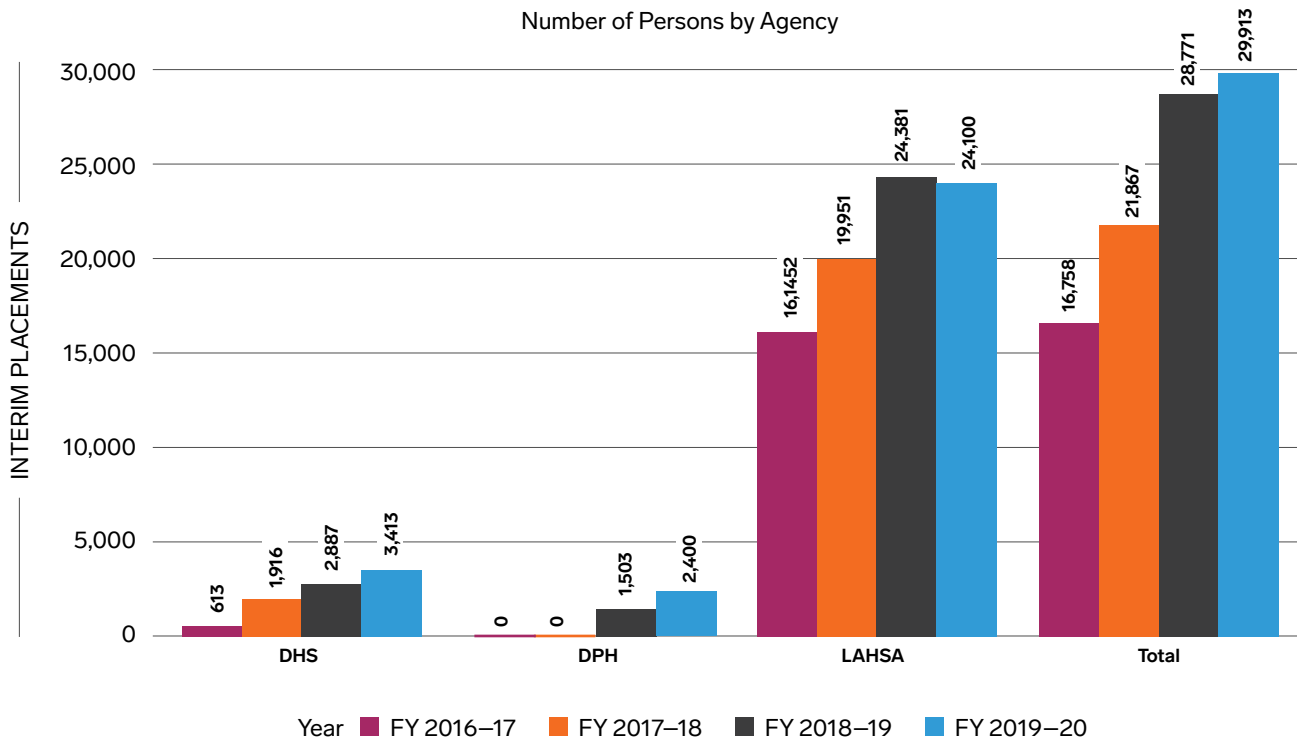


Figure 3-2 shows all IH placement numbers in LA County. The table shows counts of unique individuals. If a person was served by both LAHSA and DHS, only the placement for DHS was included in the tallies.

- ▶ The total number of unduplicated systemwide IH placements continued to expand, with an increase of almost 4% from 28,771 in Year 3 to 29,913 in Year 4.
- ▶ While LAHSA-tracked placements decreased slightly by 1%, DHS placements increased by 18.2%.

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Figure 3-3. HI-Affiliated Interim Housing Placements over 4 Years

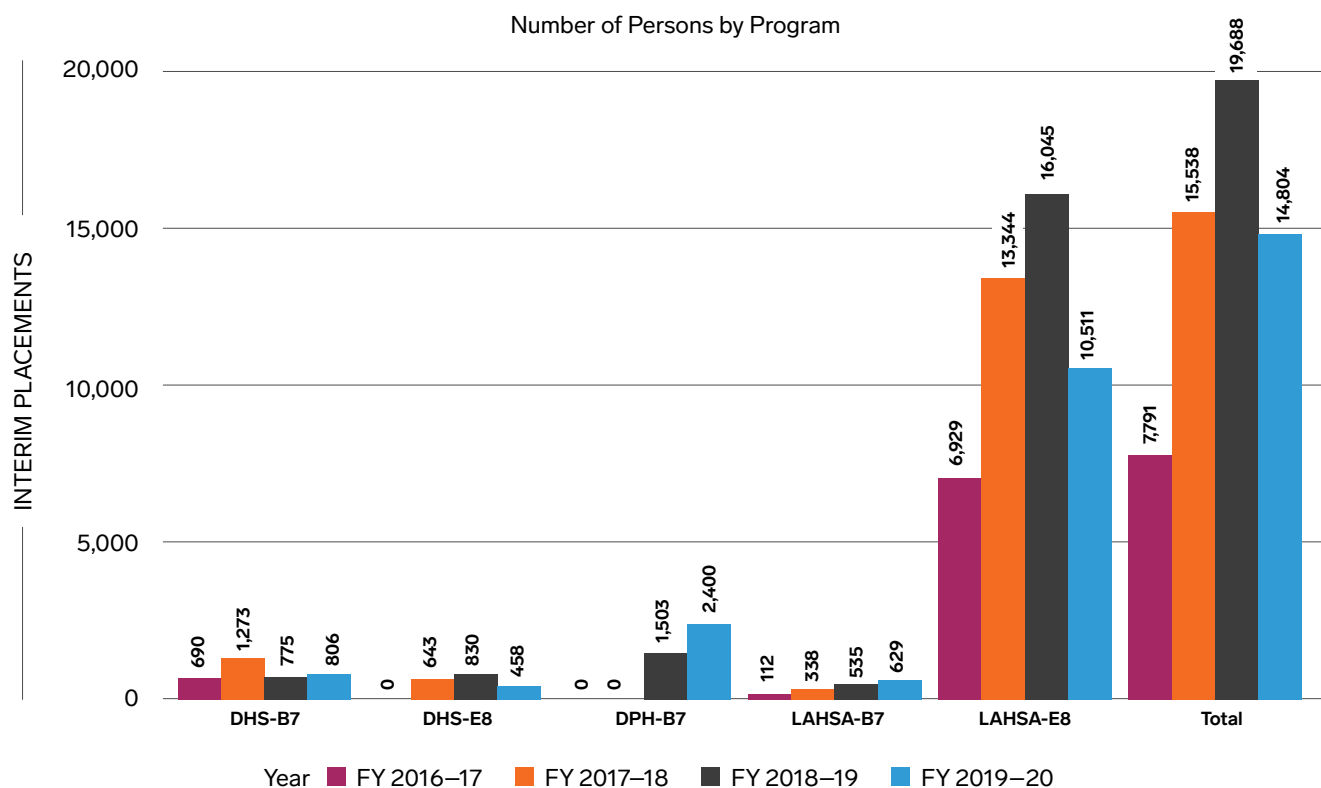


Figure 3-3 shows the number of persons who were served in IH facilities funded in whole or in part by Measure H. These persons were a subset of the unduplicated persons using IH in Figure 3-2.

- ▶ The number of individuals that were placed in IH facilities funded in whole or part by Measure H decreased by almost 25%, from 19,688 in Year 3 to 14,804.
 - The substantial decrease in HI-affiliated interim housing placements is mainly a result of a big drop in LAHSA E8 placements by about 5,500.
- ▶ The decline in IH placements in Year 4 was caused mainly by the COVID-19 crisis. The County’s Project Roomkey compensated for this decrease by placing almost 4,000 individuals in hotels and motels, and some of these homeless individuals would have been placed in interim housing.
- ▶ While DHS B-7 placements slightly increased to 806 in Year 4 from 775 in Year 3, DHS E-8 placements decreased by almost half, from 830 to 458 due to the impact of the COVID-19.¹⁰

3.3 MESO-MEASURE 3: NUMBER PLACED IN PERMANENT HOUSING

This headline measure aggregates individuals and family members placed in PH across the PH HI strategies. The measure enables assessment of the extent to which HI-related efforts end homelessness for individuals and families through placements in RRH, PSH, and other subsidized and unsubsidized PH.

¹⁰ This is likely due in part to the focus of ensuring that the hospital discharges are a priority to maintain acute care capacity in case of a surge in COVID cases. In addition, the E8 IH beds, which serve less acute individuals, tend to be in congregate settings. Many congregate settings have decompressed to reduce the risks of COVID. B7 IH sites tend to have many rooms with beds more spread apart.

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Two HI strategies focused directly on PH — B3 (Partner with Cities to Expand RRH) and D7 (Provide Services and Rental Subsidies for PSH) — are consolidated below. In addition, the total number of placements of Strategy B1 (Provide Subsidized Housing to Homeless Disabled Individuals Pursuing SSI) is included, with data available from the quarterly HI report 17.¹¹ Analysis of Strategy B3 draws on data from LAHSA/HMIS and DHS/CHAMP, and of D7 on data in CHAMP.

Figure 3-4. Number of HI-Affiliated Permanent Placements over 4 Years

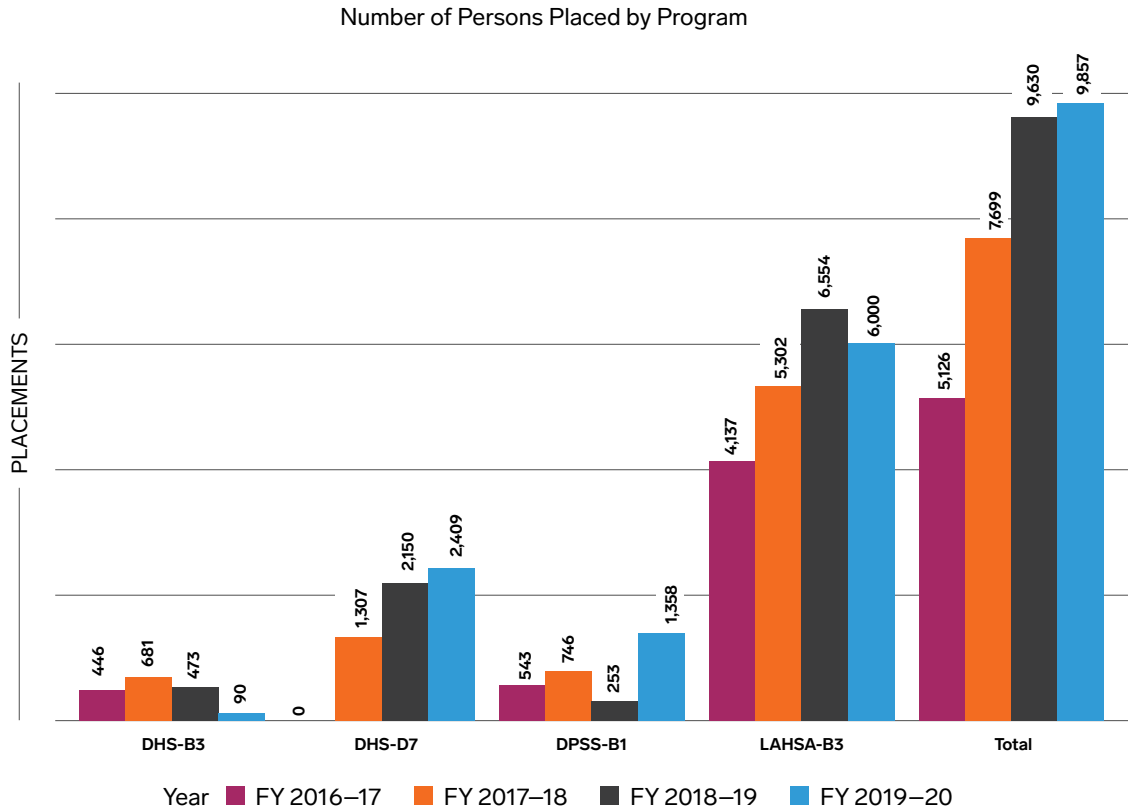


Figure 3-4 shows the number of persons placed in HI PH over four years.

- ▶ A total of 9,857 unduplicated family members and individuals were placed in HI PH in FY 2019-20, which reflects a 2.3% increase from Year 3.
- ▶ The largest increase was observed in Measure H-funded General Relief housing subsidies (DPSS B-1 program), which increased from 253 to 1,358 new subsidy issuances. Since new B1 subsidy referrals/enrollments were suspended between March 2018 and February 2019, Year 3 numbers were low, leading to a large increase in Year 4.
- ▶ DHS D7 placements increased by 12% to 2,409 from 2,150. To create better system alignment and support the need for increased targeting of families in the provision of RRH services, DHS tapered enrollments in Strategy B3 during Year Three and made almost no new enrollments in B3 in Year Four.
- ▶ After increasing steadily over the first three years, LAHSA B3 placements, which represent the large majority of all HI-affiliated permanent placements, dropped by 8.5% in Year 4, from 6,554 to 6,000.

¹¹ Quarterly HI report #17 is available at: <https://homeless.lacounty.gov/quarterly-reports/quarterly-report-17/>.

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3.4 MESO-MEASURE 4: RETURNS TO HOMELESSNESS FOLLOWING A PERMANENT PLACEMENT

The fourth and final meso performance measure is the degree to which individuals and family members returned to homelessness following an HI-funded permanent placement. This is a measure of successful and sustained exits. More specifically, we measured the proportion of exits to PH using HI-affiliated programs for homeless households (persons and family members) in which they subsequently re-entered the homelessness service system. *Return to homelessness* is operationalized as individuals and family members leaving homelessness for a PH placement only to use homeless services again within six months of the placement, as recorded in HMIS. Household records included here are for those who exited in the first two quarters of the respective fiscal years, providing an opportunity to follow them for six months.

Figure 3-5. Rates of Return to Homelessness over 4 Years by Program

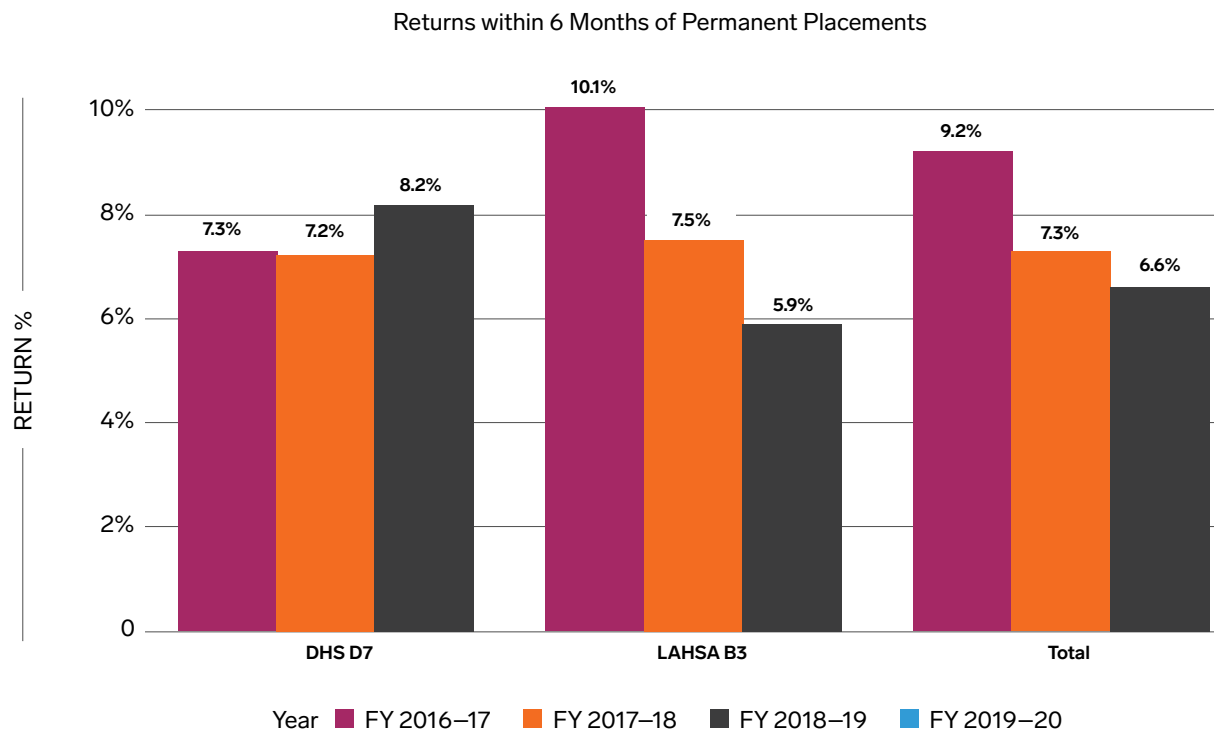


Figure 3-5 shows the number of persons who retained their HI-affiliated permanent housing placement for six months.

- ▶ The overall return rates decreased from a high of 9.2% in Year 2 to 6.6% in Year 4, which means that approximately 1 out of 15 placed persons returned to homelessness assistance within six months.
- ▶ The return rate was higher for the DHS D-7 program (8.2%) than the LAHSA B-3 program (5.9%), which dropped from 7.5% in Year 3. The latter program is substantially larger, however (see Figure 3-4), so the overall return rate is only modestly impacted by the higher DHS D-7 program rate.

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3.5 SECTION CONCLUSION

Here are the overall trends among the four meso-measures:

- ▶ While the numbers of households (families and individuals) served under HI-funded prevention programs expanded substantially in Year 4, the magnitude of these increases has yet to be realized by proportionate increases in households that, after being assisted with the program, were able to avoid becoming homeless (meso-measure 1).
- ▶ The number of interim placements increased only slightly in Year 4, but this year's results were impacted by COVID-19-related policies that led to the "decompression" of IH facilities; corresponding increases in hotel/motel placements, including those through Project Roomkey, are not included in these findings (meso-measure 2).
- ▶ The number of HI-affiliated permanent placements also increased slightly in Year 4. This slight decrease came despite more substantial decreases in the overall placements to PH through rapid rehousing programs (both through LAHSA-funded programs and DHS) (meso-measure 3).
- ▶ Returns to homelessness assistance within six months of placement to PH declined overall for the third straight year. This was mainly due to fewer people returning to homelessness assistance after placements in LAHSA-funded RRH programs and returns to homelessness assistance actually increased in DHS D7 programs (covering PSH programming) (meso-measure 4).

Dynamics of Homelessness

The number of people experiencing homelessness at any point in time in Los Angeles County is counted annually every January. LAHSA's PIT count increased from 52,765 in 2018 to 58,936 in 2019, by almost 12%, and reached 66,436 in 2020, showing an additional increase of almost 13%. Not only is the magnitude of the County's homeless populations unacceptably high, but it has been increasing at a significant rate during the last three years.

Several factors behind the scale of the homeless population are mentioned in the first section, particularly the housing affordability crisis, which has generated over a half million severely rent-burdened households in Los Angeles. Despite an ongoing effort of the County's homelessness service system (Measure H and non-Measure H combined) which recorded over 20,000 PH placements in each of the last three fiscal years, factors outside the purview of the homelessness service system are too strong to slow the inflow.

In this section, we assess the dynamics of the homeless population over three years (2017–2019) within the homelessness service system to provide more insight into recent counts. The key policy question is whether additional action can be taken from within the system to mitigate the problem. Even if the broadened array of available services may not be able to sufficiently fully offset the flow of individuals and families into homelessness to yield year-over-year PIT count decreases, understanding these dynamics can be helpful in planning more effective homeless interventions and programs.

4.1 ANNUAL NUMBERS OF PEOPLE WHO EXPERIENCE HOMELESSNESS

We used the HMIS data provided by LAHSA for three years between 2017 and 2019. Calendar years were used instead of fiscal years to align our figures with LAHSA and PIT counts. However, our flow analysis is different from LAHSA's 2019 and 2020 homeless count presentations for two main reasons.¹² First, our estimations are based on HMIS records and only include homeless persons enrolled in any HMIS projects other than prevention programs. Hence, homeless households not enrolled in HMIS and captured in PIT counts are excluded in our analysis. Second, LAHSA's flow numbers are projections based on annualized estimates derived from January PIT counts and surveys.¹³ Our estimations are not projections. They are based on micro data retrieved from HMIS by the end of the year. Hence, our estimates are not reconciled with LAHSA's flow numbers and intend to offer an alternative window to observe the changing dynamics of homelessness in Los Angeles.

The description of the methodology is presented in Appendix C, which shows the definitions and assumptions on calculating different homelessness measures. The data were processed extensively to produce an accurate depiction of homelessness durations based on their episodes recorded in HMIS.

¹² See Greater Los Angeles Homeless Count, 2019 results available at: <https://www.lahsa.org/documents?id=3437-2019-greater-los-angeles-homeless-count-presentation.pdf> and Greater Los Angeles Homeless Count, 2020 results available at: <https://www.lahsa.org/documents?id=4558-2020-greater-los-angeles-homeless-count-presentation>.

¹³ For example, inflow number in 2019 is the difference between 2019 annualized estimate and 2019 PIT count and 2019 other exits to housing are residuals to align 2019 and 2020 PIT counts. See 2019 Los Angeles Continuum of Care Homeless Count, Methodology Report, July 2019, USC, pp. 16-17 available at: <https://www.lahsa.org/documents?id=4016-hc2019-methodology-report>

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In any year, the homeless population in HMIS is composed of three groups:

- ▶ Homeless individuals who were already served in HMIS in the previous year and stayed homeless in HMIS this year, labeled as *previous carryover*.
- ▶ Homeless individuals who received HMIS services in the previous years and returned to HMIS this year, labeled as *re-entries*.
- ▶ Homeless individuals who received HMIS services for the first time this year, labeled as *new entries*.

Some of these homeless individuals exit HMIS during the year and the remaining stay homeless and become the carryover for the next year.

Figure 4-1. Number of Homeless, Entries into and Exits from Homelessness

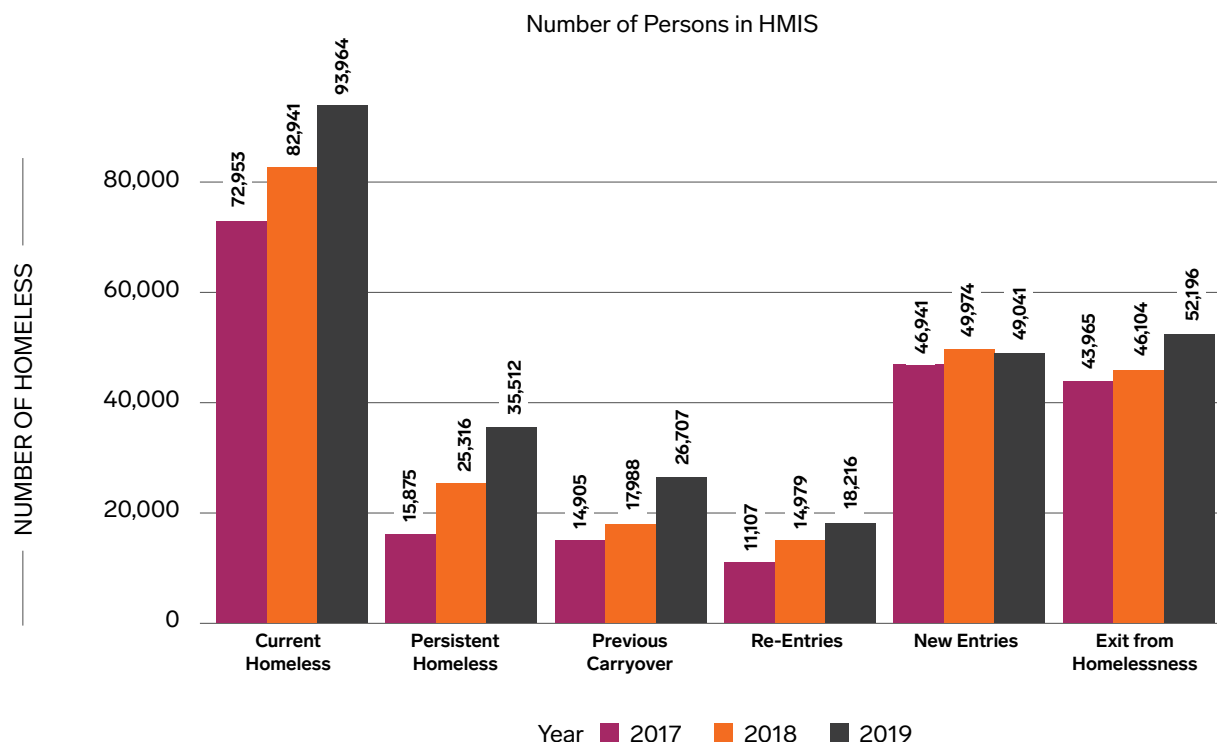


Figure 4-1 shows the annual number of homeless persons, entries into, and exits from homelessness over three years following definitions described above and in section C.1 of Appendix C. Here are the main findings:

- ▶ The number of persons who receive HMIS services at any point in a year increased by almost 13% annually, from almost 73,000 in 2017 to 83,000 in 2018 and 94,000 in 2019.
- ▶ As expected, HMIS counts are lower than annualized PIT counts, because many unsheltered homeless individuals are not enrolled in HMIS. However,
 - The rate of change is comparable to the PIT rate of change.
 - Our comparable PIT count for January 2018 is over 40,000. Multiplying it by two (2018 LAHSA multiplier)¹⁴ approximates our annualized 2018 count, which is 83,000.

¹⁴ See Henwood, B. F and Byrnes, K. (2018) 2018 Los Angeles Continuum of Care Homeless Count, USC. P.16.

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- ▶ The number of persistent homeless persons more than doubled, from almost 16,000 to 35,500 between 2017 and 2019.
 - Persistent homelessness is defined as receiving HMIS services six or more months during the previous 12 months.
- ▶ The previous carryover group almost doubled, from 14,900 in 2017 to 26,700 in 2019.
- ▶ Re-entries into HMIS also increased significantly, from 11,100 to 18,200, or by 64% over three years.
- ▶ New entries into HMIS increased slightly, from almost 47,000 to 49,000, by 4%.
- ▶ Exits from HMIS also increased, from almost 44,000 to over 52,000, or by 18%.
 - Exits from homelessness includes permanent placements and unknown exits with no return to HMIS within next six months.

If we classify homelessness by duration, we observe two main groups of homeless individuals. One group is composed of those who enter and exit homelessness very quickly in their first episodes, likely with temporary but resolvable issues that contributed to their homelessness. The other group includes those individuals who are exposed to homelessness with longer and multiple episodes because of their multiple barriers to escape homelessness. In our analysis, we labeled as *persistently homeless* those who stayed homeless six months or more within the last 12 months. This is a larger group than the chronically homeless, which includes disabled individuals with even longer stays in homelessness.

The data show that for new entries into HMIS in 2018:

- ▶ Thirty percent exit HMIS after one short episode of less than one month's duration.
- ▶ Half of them stayed less than three months and two thirds stayed less than six months in HMIS.
- ▶ Only 14% of them experienced a second episode of homelessness in HMIS by the end of 2019.
- ▶ Approximately 30% of them became persistently homeless within the next two years.

Over the three years, we observe that:

- ▶ New entries into HMIS services stayed relatively stable close to 50,000 annually. However, their share in the HMIS homeless population decreased from 64% to 52%.
- ▶ In the meantime, the share of persistently homeless increased from 22% to 38%.

4.2 MONTHLY NUMBERS OF HOMELESS PERSONS

Figure 4-2. Monthly Number of Current Homeless Persons

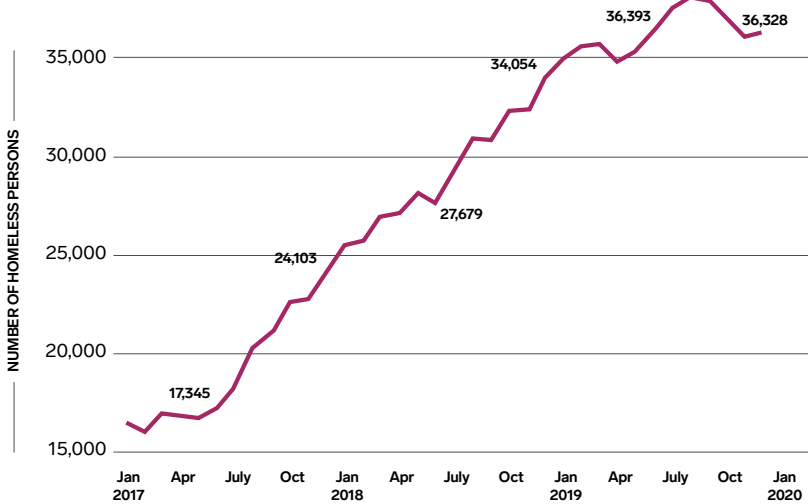
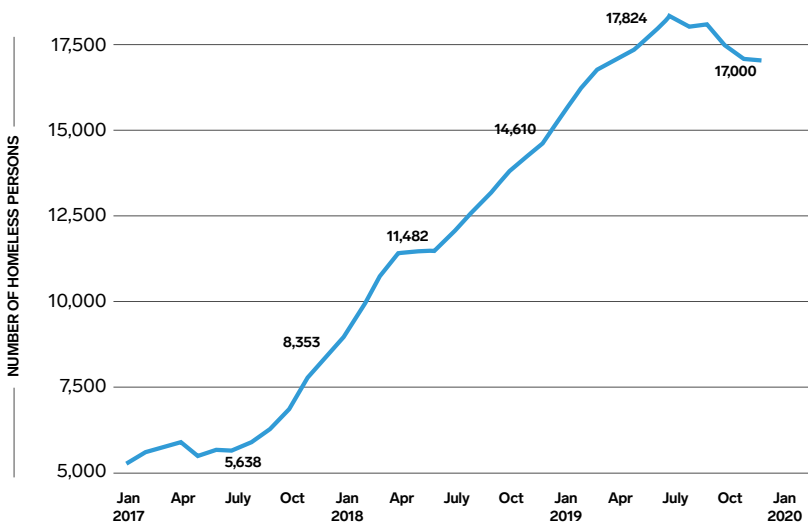


Figure 4-2 shows the monthly number of homeless persons receiving HMIS services between 2017 and 2019:

- ▶ The number of homeless individuals received services in HMIS at least one day in a given month increased from approximately 16,500 in 2017 to 36,328 in 2020, or by 120%.
 - The monthly numbers slowed in 2019, showing a small increase from almost 35,000 to 36,328 after peaking around 38,000 in August.

Figure 4-3 shows the monthly number of persistent homeless persons between 2017 and 2019:

Figure 4-3. Monthly Number of Persistent Homeless Persons



- ▶ The number of persistent homeless more than tripled, from approximately 5,200 in January 2017 to over 18,000 in the summer of 2019 before dropping to 17,000 in December.
- ▶ Two thirds of the growth in the homeless population receiving HMIS services is driven by the growth in the persistently homeless population.

4.3 QUARTERLY NUMBERS OF ENTRIES AND EXITS

Figure 4-4. Quarterly Number of New Entries and Re-Entries to HMIS

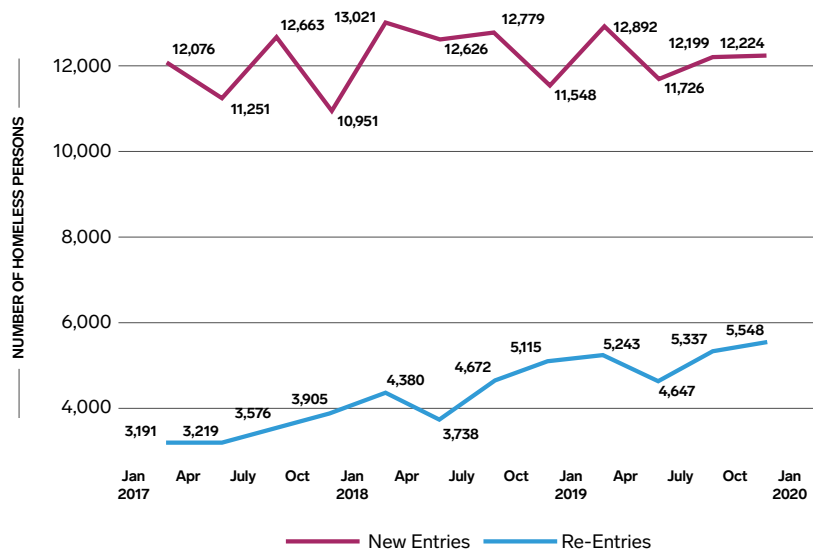


Figure 4-5. Quarterly Number of Entries into and Exits from Homelessness in HMIS

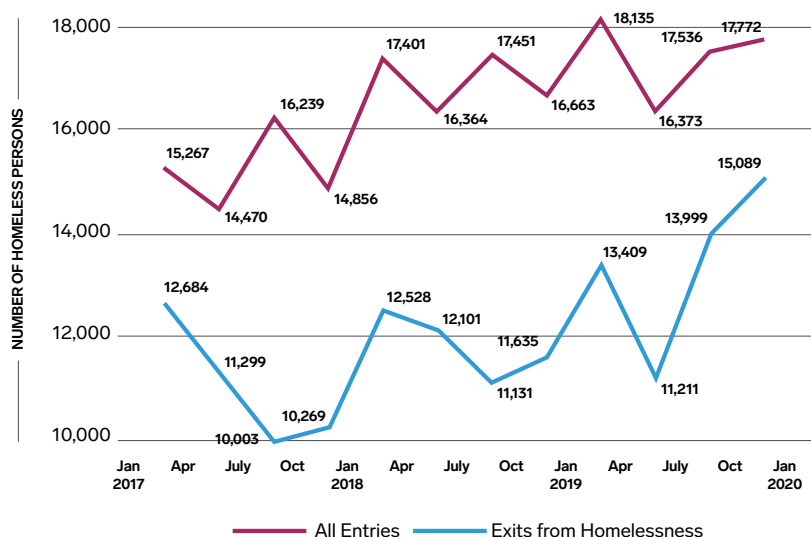


Figure 4-4 shows the quarterly number of new and re-entries into HMIS between 2017 and 2019. (we show quarterly numbers because monthly entries and exits reveal sharp fluctuations):

- ▶ Quarterly new entries into HMIS show a stable trend of around 12,000, with almost no increase over three years.
- ▶ Quarterly re-entries into HMIS within one year of an exit from receiving HMIS services also show a steady trend around 3,000 between 2017 and 2019.

Figure 4-5 shows the quarterly number of all entries into and exits from receiving HMIS services between 2017 and 2019:

- ▶ Quarterly, all entries into HMIS increased, from approximately 15,000 to 18,000 (almost 20%) between 2017 and 2019.

— As shown in Figure 4-1, entries increased because of accumulating re-entries over time.

- ▶ Entries into HMIS exceed exits from HMIS in every year, leading to the observed net growth in the population.
- ▶ Quarterly exits from receiving HMIS services showed some sharp fluctuations over three years. The overall trend was upward, showing an increase from 12,684 to 15,089, or almost 20%.

— The increase in exits was mostly due to exits with unknown destinations but no returns to HMIS within the next six months.

4.4 TRENDS AND PATTERNS OF HOMELESSNESS EPISODES AND HOMELESS POPULATIONS IN HMIS

Findings Highlights

- ▶ The number of persons recorded in HMIS as homeless at any point in a year increased by 13% annually, from 73,000 in 2017 to 94,000 in 2019.
- ▶ While new entries into HMIS stayed relatively stable at 50,000 annually, the number of persistently homeless persons more than doubled, from 16,000 to 35,500.
- ▶ Two thirds of the growth in homelessness is driven by the persistently homeless population.
- ▶ Entries into HMIS are consistently exceeding exits from HMIS, leading to a net growth in homeless population receiving HMIS services.
- ▶ The trend in exits from HMIS is upward, due to increased exits to “unknown destinations” with no returns to receiving services in HMIS within the next six months.
- ▶ Returns to homelessness assistance within 6 months of placement to PH declined overall for the third straight year. This was mainly due to fewer people returning to homelessness assistance after placements in LAHSA-funded RRH programs.

An analysis of HMIS data encompassing enrollments, placements, exits, and homeless services use over the last three years of HI implementation suggests a recurrent pattern that may offer guidance for inflow interventions. This pattern has the following characteristics, based on the data presented in this section:

- ▶ The annual number of homeless persons enrolled in HMIS has been increasing by an annual rate of 13%, which is comparable to the increase in the PIT counts.
 - The annual homeless population receiving HMIS services increased from almost 73,000 to 94,000 over three years.
- ▶ The monthly homeless population receiving HMIS services at least one day in a given month also increased consistently, from 16,500 to 35,000, or by 112%.
 - However, the rate of increase slowed down at the end of 2019, dropping from 38,000 in August to 35,000 in December, with only a small increase of 3% for the full year 2019.
- ▶ Both new entries (almost 50,000 annually or 12,500 quarterly) and re-entries (within one year of an exit from homelessness) into HMIS stayed stable over three years.
- ▶ Exits from receiving services in HMIS also increased, from almost 44,000 to over 52,000, or by 18%, but this increase was not enough to offset the increase in all entries into HMIS, which include new entries, re-entries, and previous carryover.
 - The gap between entries into and exits from HMIS continued to grow, from almost 29,000 to 42,000, or by 44%. The quarterly gap varied in the range between 2,500 to 6,000.

As a result of these dynamics — a stable inflow of new entries into HMIS and increasing number of homeless persons in HMIS with earlier homeless experience (re-entries and previous carryover), and entries into HMIS exceeding exits from HMIS, we observe an increasing number of people in the persistently homeless group. The size of this group rose from almost 16,000 to 35,500 over three years, and its share of the total increased from 22% to 38%. Thirty percent of the annual increase between 2018 and 2019, from 83,000 to 94,000, was due to higher re-entries. The remaining 70% was because of the increase in previous carryover. These two groups explain the steady growth in persistent homelessness and homeless population receiving HMIS services.

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Policy Implications Highlights

- ▶ The data indicate that the increase in homelessness population receiving HMIS services is not attributed to a growing number of newly homeless households in HMIS, rather to people who are persistently homeless -- people with barriers who cannot exit homelessness on their own or who have repeated reentries.
- ▶ The County is expanding its permanent supportive housing capacity by 10,000 units by FY 2024-25. This expansion could place the most vulnerable households in housing, including persistently homeless individuals, potentially leading to a decrease in the number of homeless individuals.
- ▶ Returns to homelessness assistance within 6 months of placement to PH declined overall for the third straight year. This was mainly due to fewer people returning to homelessness assistance after placements in LAHSA-funded RRH programs.

4.5 POLICY IMPLICATIONS

These patterns and trends show that the number of homeless persons receiving HMIS services has been increasing, with a consistent and growing gap between entries and exits, which is called the exit gap. The key question is, what accounts for the continuing growth of the exit gap? Answering this question would provide some insight to policymakers for more effective interventions and policies. The data suggest that the recent increase in the number of homeless persons in HMIS is a result of the increasing number of people in the persistently homeless group.

Households who became homeless recently (new entries into HMIS) did not contribute to the increase directly by more than a few percentage points. However, with a stable inflow of new entries, the cumulative number of homeless persons receiving HMIS services is growing even though most new entries exit HMIS rapidly. As the observation period increases, with the same level of inflow, so does the number of homeless individuals who received HMIS services during the previous years. As some of them failed to exit homelessness because of various barriers, the number of re-entries into HMIS and previous carryover increased steadily, leading to a larger group of persistently homeless persons. These trends suggest that the increasing size of homelessness receiving HMIS services is not attributed to a growing number of newly homeless households but rather to those homeless households with barriers who either cannot exit homelessness and become persistent, or who become persistently homeless after several re-entries.

What are the policy implications of these observations? The exit gap is the balance of persons who need but do not receive PH assistance or placement. However, the nature of the unserved homeless population will be essential in determining how to advance beyond the exit gap. While the homelessness service system is providing effective interim and permanent housing arrangements so that the majority of newly homeless populations exit homelessness at a stable rate, the system fails to prevent some homeless households from becoming persistently homeless or to facilitate persistently homeless households in escaping homelessness at an acceptable rate.

As discussed earlier, factors beyond the control of the homelessness service system, such as the scale of rent-burdened households, are a direct outcome of the housing affordability crisis. These factors contribute to an increase in persistent homelessness by making it difficult to be permanently placed. However, the County's homelessness service system could potentially reduce the exit gap by intensively targeting the persistently homeless population.

The County has already been expanding its permanent supportive housing capacity, which is expected to increase from 732 in FY 2019-20 to 2,694 in FY 2020-21. The cumulative total will exceed 10,000 by FY 2024-25. This expansion could place the most vulnerable households in housing, including persistently homeless individuals, which should lead to a steady decrease in the number of homeless individuals.

Another positive observation is the decreasing rate of increase in the number of homeless households in 2019. If new entries stay at the current stable rate and exits continue to increase, we expect to observe a shrinking exit gap and a drop in the magnitude of the persistently homeless group. However, given the large scale of this group, the homelessness

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service system should undertake further interventions focusing on persistent homelessness.

One mode of intervention is amplifying the current expansion in PSH units by generating new resources or diverting resources from interim housing. Another intervention is effective targeting of homeless persons who are likely to become persistently homeless in the future and unlikely to return to homelessness after being placed in a PSH unit. Targeting can be conducted at the time of first contact with HMIS during the assessment process. Currently, the Coordinated Entry System targets the vulnerable households for different types of placements and service prioritization using VI-SPDAT scores. Targeting can be extended to persistently homeless households. It is critical to intervene with homeless households early enough to prevent them from becoming persistently homeless.

Pre-Post Evaluation of Health and Mental Health Outcomes

In this section, we present a formal evaluation assessing the effects of several placement types on selected health and mental health measures. We measure the differences in service utilization rates for several health and mental health treatments of homeless persons before and after three placement types — RRH, PSH, and interim housing (IH). First, in section 5.1, we summarize the methodology and the data of the outcome evaluation. A more technical description is provided in section C.2 of the Technical Appendix C. In section 5.2, we present the results of the evaluation.

5.1 METHODOLOGY AND DATA

Experimental studies provide rigorous evidence for evaluating treatment impact by randomly assigning subjects to treatment and control groups. Randomization ensures that program participants (those in the treatment/experimental groups receiving the program/intervention) and non-participants (those in the control groups who do not receive the program/intervention) are equally matched on all relevant and knowable factors, and the treatment effect can be estimated from a direct comparison of the outcomes for the subjects in the two groups. However, when random assignment is impractical or unethical, quasi-experimental designs are often used to address the efficacy of the interventions. In observational studies, systematic differences can occur between the treated subjects and the control subjects. In order to address the potential presence of selection bias, statistical approaches are applied that can remove some of the effects of such bias when estimating the effect of a treatment. In this section, we applied propensity score matching (PSM), which is the most common methodology to control for pre-existing systematic differences.

Three treatment groups were built based upon placement records occurring in 2017:

- ▶ Homeless individuals who moved to a permanent destination from Rapid Rehousing in 2017.
- ▶ Homeless individuals who were placed in Permanent Supportive Housing in 2017.
- ▶ Homeless individuals who were placed in Interim Housing in 2017 and stayed in IH one month or longer in 2017.

We used three health and three mental health outcomes, which were measured within one year before and after placement dates in 2017:

- ▶ Health outcomes:
 - Emergency room visits
 - Outpatient visits
 - Inpatient stays
- ▶ Mental health outcomes:
 - Outpatient visits
 - Stabilization care treatment
 - Acute care inpatient stays

One-year pre and post time windows were started from the move-in date for RRH placements, the placement day for PSH placements, and the first day in IH in 2017 for IH placements. For control groups, the reference date was the first day of recorded homelessness (enrollment date in HMIS) in 2017.

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Outcome evaluation was performed comparing pre and post treatment and control group average annual service durations for each service type, using two-grouped t-tests. The results of statistical tests are shown in section C.3 of Technical Appendix C. Three data sources were used for the evaluation:

- ▶ HMIS data for clients, placements, and characteristics of homeless individuals — used as covariates in PSM between 2016 and 2019
- ▶ DHS service and client data for service dates and types between 2016 and 2019
- ▶ DMH service and client data for service dates and types between 2016 and 2019

The sample sizes are equal for treatment and control groups, which are 3,690 for RRH placements, 2,530 for PSH placements, and 4,238 for IH placements. Treatment and control groups includes all records whether they had matched DMH and/or DHS data. Health and mental health outcomes were calculated only for those with at least one DHS or DMH record during the observation period.¹⁵

5.2 RESULTS

This section presents the results of health and mental health outcomes, demonstrated for each placement type separately. We show the pre and post averages of service utilization by service types using bar charts. Statistical tests to measure the significance of treatment effects are shown in section C.2 of Appendix C.

5.2.1 Health Outcomes

Health outcomes are assessed for three different service types: emergency room visits, outpatient visits, and inpatient stays in DHS facilities. The metric is annual average number/days of visits. For emergency room and outpatient visits, the numbers of visits are measured, and number of visits is approximately equal to the number of days. For the inpatient stays, the number of days is measured.

Policy Implications Highlights

- ▶ **RRH:** People placed in rapid rehousing programs reduced their use of county administered health services, whereas services use increased in the control group. The largest difference was observed for inpatient hospitalization, the most costly of county's health services.
- ▶ **PSH:** People placed in PSH had substantially fewer and shorter hospital stays, as compared to the control group.
- ▶ **IH:** Placement in interim housing was not associated with reduced use of health services; services use increased for both those placed in IH and the control group.

¹⁵ We run the outcome analysis for 2018 as well, but since the results were similar, we do not include it for simplicity. Similarly, pre-post comparisons within two years were not different from one-year comparisons and are not presented here. Match rates of study samples against DHS and DMH data is shown in Figure C-2 of Appendix C.

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Figure 5-1. Average Number/Days of DHS Visits by Service Type
Treatment Group: RRH Placements

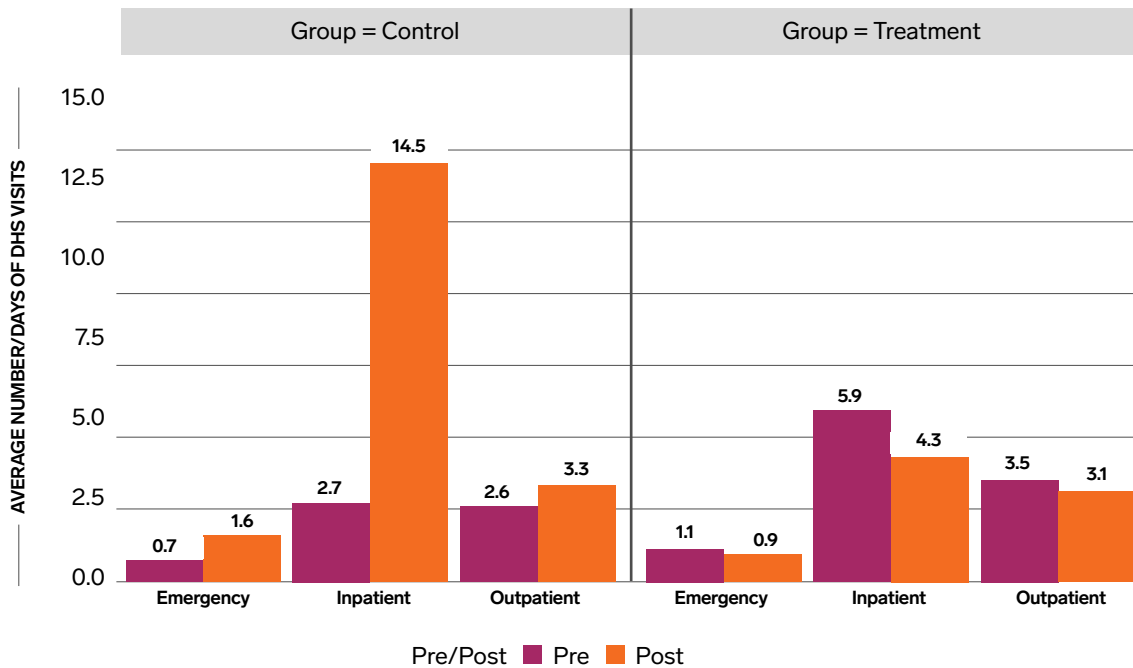
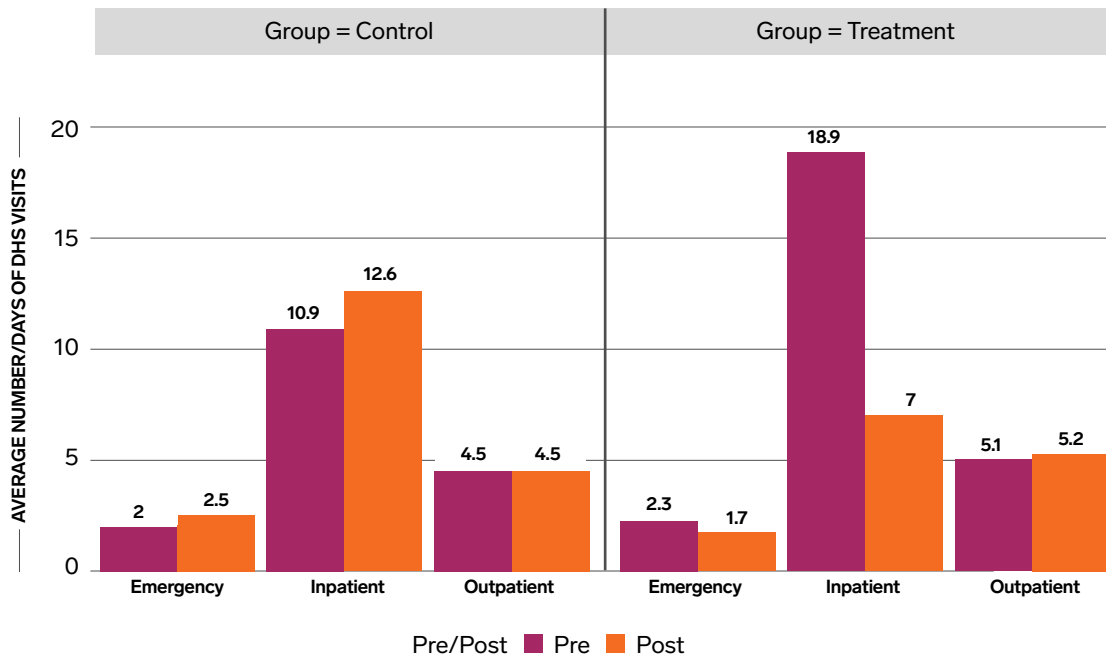


Figure 5-1 shows the health outcomes for RRH placements, which make up the treatment group. The pre (post) category measures the average number of visits within one year before (after) the RRH placement in 2017. As described in section 6.1, for the control group, pre and post measures are one-year windows before and after the first enrollment date in 2017. The results show that:

- ▶ For the treatment group, all service type utilizations declined after the RRH placement.
- ▶ In contrast, for the control group, all service type utilizations increased following the first recorded day of homelessness.
- ▶ The largest difference is observed for inpatient stays, which decreased by almost two days for the treatment group while increasing by almost 12 days for the control group.
 - This finding shows how, following RRH placement, the use of this expensive mode of health care provision dropped while, for controls, these hospitalizations increased substantially over time.

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Figure 5-2. Average Number/Days of DHS Visits by Service Type
Treatment Group: PSH Placements

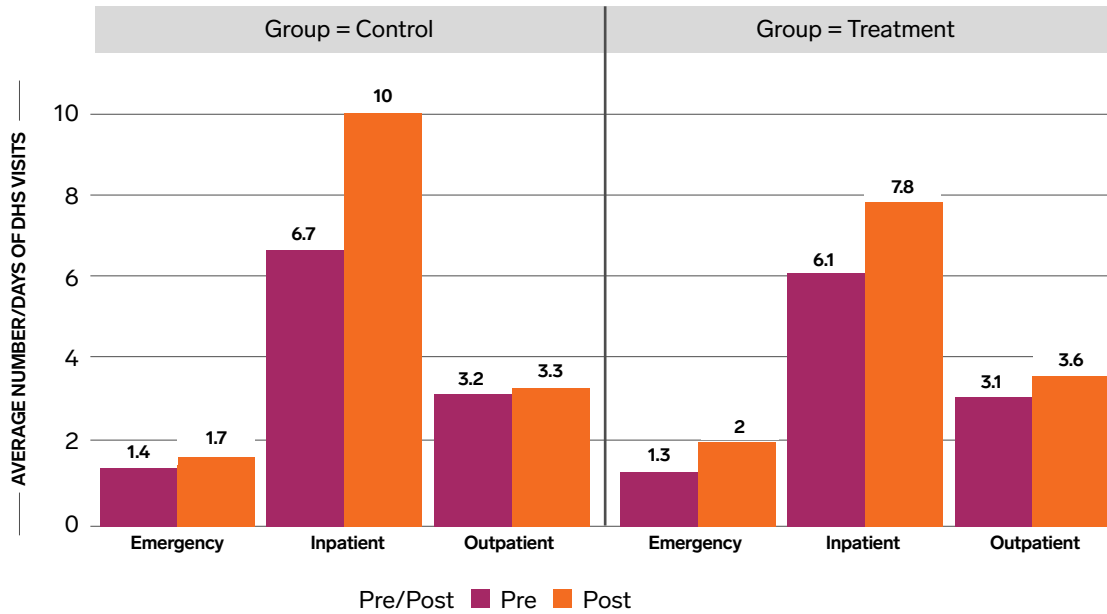


In Figure 5-2, the treatment group includes individuals with PSH placements:

- ▶ For the treatment group, emergency room visits declined somewhat, and inpatient stays declined substantially after the PSH placement, while outpatient visits stayed almost the same.
- ▶ In contrast, for the control group, emergency room visits, and inpatient stays increased after the first enrollment in a homeless program. Outpatient visits stayed the same as in the treatment group.
- ▶ As in RRH placements, the biggest difference is observed for inpatient stays, which decreased by almost 12 days for the treatment group while increasing by almost two days for the control group.
 - In the absence of PSH placement, homeless individuals stay substantially longer in hospitals than those placed in PSH. This supports an association between PSH placements and reduced need for expensive inpatient services.

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Figure 5-3. Average Number/Days of DHS Visits by Service Type
Treatment Group: IH Placements



In Figure 5-3, the treatment group includes individuals with IH placements for over 30 days in 2017¹⁶:

- ▶ For both groups, all service type utilization numbers increased.
- ▶ Even though the average number of inpatient days increased much more for the control group, in general, service utilization patterns did not differ greatly among the treatment and control groups.
- ▶ In results not shown in this figure, staying longer in interim housing does not seem to impact health outcomes relative to those who stay in IH for shorter time periods or do not stay in IH at all.

Mental Health Outcomes Highlights

- ▶ **RRH:** People placed in rapid rehousing programs reduced their use of county administered mental health services, whereas services use increased for the control group. The largest difference was observed for inpatient hospitalization, the most costly of county's health services.
- ▶ **PSH:** PSH placement was associated with a reduction in the use of acute mental health services, whereas the control group experienced an increase in services use.
- ▶ **IH:** Staying longer in IH is not associated with reduced use of mental health services compared to those who stay in IH for less time or to those who do not move into IH at all.

5.2.2 Mental Health Outcomes

Mental health outcomes are assessed for three different service types: crisis stabilization services, outpatient visits, and acute care inpatient stays in DMH facilities. The metric is annual average number/days of visits. For outpatient visits, the numbers of visits are measured. For the crisis stabilization services and acute care inpatient stays, the number of days is measured.

¹⁶ IH treatment and control groups exclude individuals with PSH and/or RRH placements in 2017 and 2018. There are a very small number of homeless persons included in the analysis who were placed in 2019—3 Percent of the treatment and 1 percent of the control group.

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Figure 5-4. Average Number/Days of DMH Visits by Service Type
Treatment Group: RRH Placements

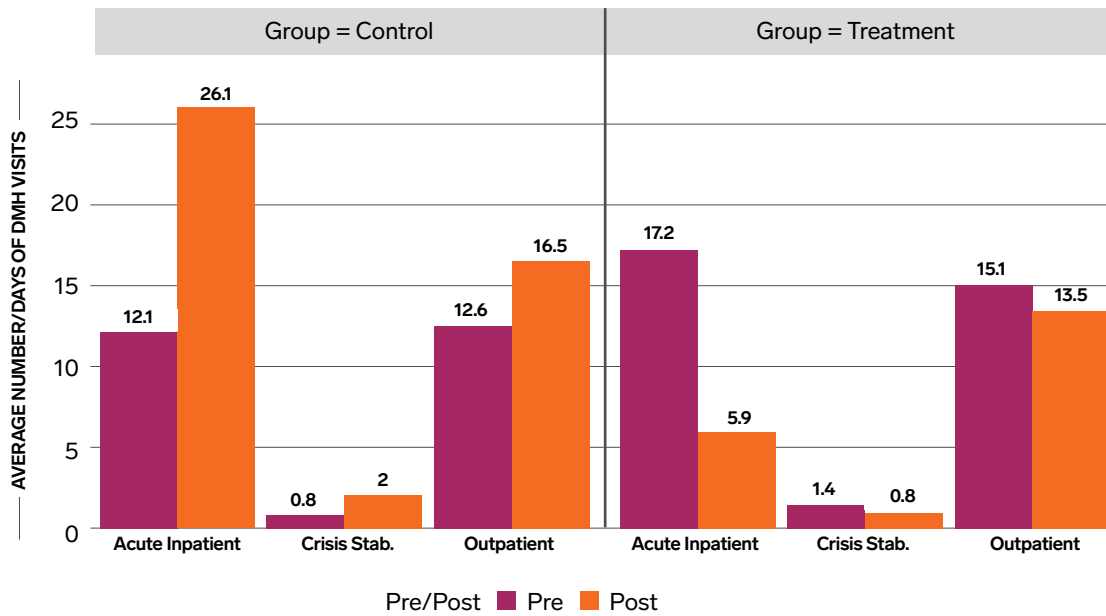
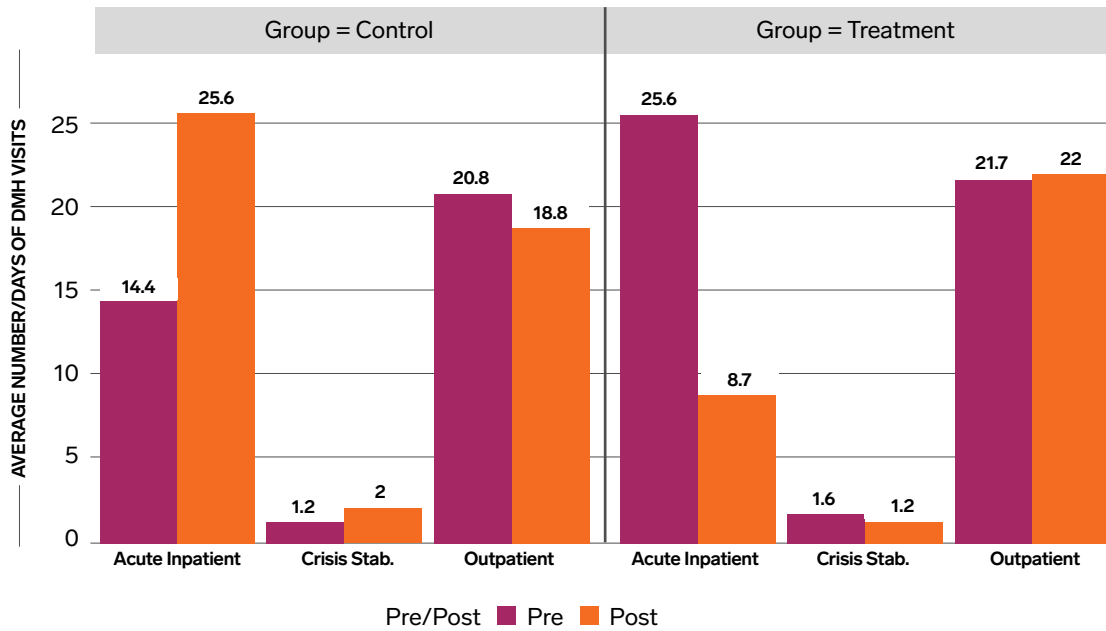


Figure 5-4 shows the mental health outcomes for RRH placements, which make up the treatment group. The pre (post) category measures the average number/days of visits within one year before (after) the RRH placement in 2017.

- ▶ For the treatment group, all service type utilizations declined after the RRH placement.
- ▶ In contrast, for the control group, all service type utilizations increased following the first recorded day of homelessness.
- ▶ The largest difference is observed for acute care inpatient stays, which decreased by more than 11 days for the treatment group while increasing by 14 days for the control group.
 - In the absence of the RRH placement, the mental health care needs of homeless individuals with acute care needs increase significantly. RRH placements improve their mental health conditions rapidly.

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Figure 5-5. Average Number/Days of DMH Visits by Service Type
Treatment Group: PSH Placements

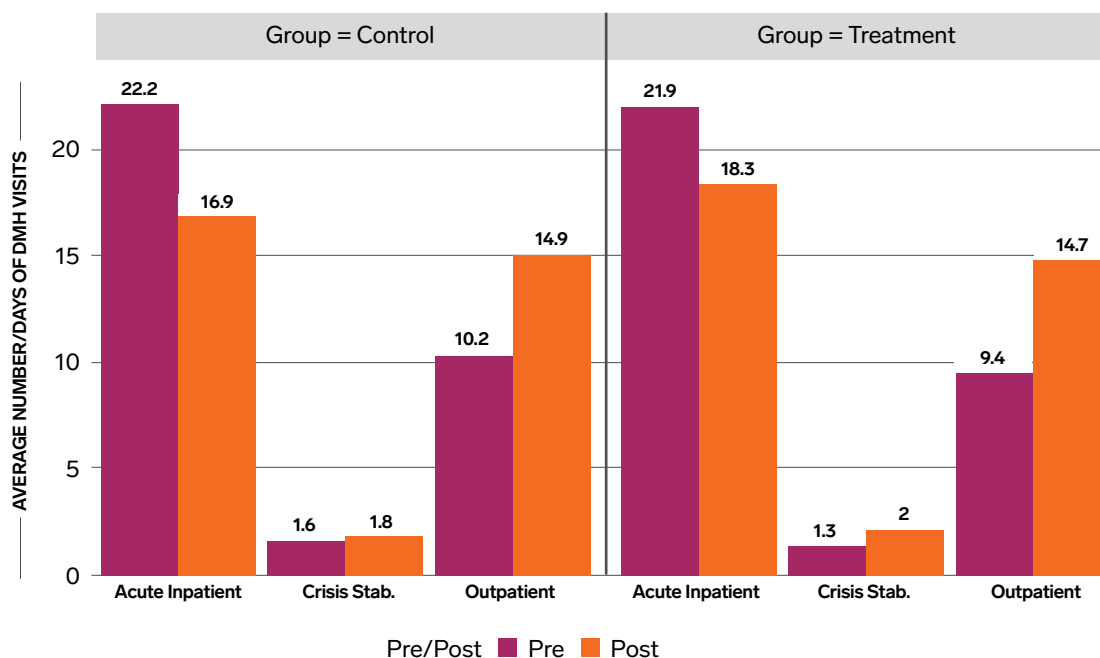


In Figure 5-5, the treatment group includes individuals with PSH placements.

- ▶ For the treatment group, crisis stabilization care and inpatient stays declined after the PSH placement, while outpatient visits stayed almost the same.
- ▶ In contrast, for the control group, all service type utilizations increased following the first recorded day of homelessness.
- ▶ As in RRH placements, the biggest difference is observed for acute care inpatient stays, which decreased by almost 17 days for the treatment group while increasing by more than 11 days for the control group.
 - In the absence of the PSH placement, acute mental care needs of homeless individuals increase significantly. On the other hand, acute care inpatient stays of those placed in PSH decrease substantially, and their mental health conditions improve.

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Figure 5-6. Average Number/Days of DMH Visits by Service Type
Treatment Group: IH Placements



In Figure 5-6, the treatment group includes individuals with IH placements for over 30 days in 2017:

- ▶ For both groups, crisis stabilization care and outpatient visits increased, while acute care inpatient stays decreased.
- ▶ In general, service utilization patterns did not differ among the treatment and control groups.
- ▶ Staying longer in IH does not seem to impact mental health outcomes relative to those staying in IH for less time or those who do not move into IH at all.

5.3 SECTION CONCLUSION

Many studies have shown that, in PSH and Housing First interventions, chronically homeless individuals experienced reduced psychiatric and medical inpatient hospitalizations and lower numbers of emergency room visits.¹⁷

This evaluation supports these results:

- ▶ The largest differences were observed for inpatient hospitalizations. For individuals with RRH placements, days in inpatient settings decreased after placement, while they increased significantly for the control group. Similarly, for individuals placed in PSH, days in inpatient settings declined substantially, while they increased modestly for the control group.

¹⁷ Culhane, Dennis P., Metraux, Stephen, & Hadley, Trevor. (2002). Public service reductions associated with placement of homeless persons with severe mental illness in supportive housing. *Housing Policy Debates* 13(1), 107-163; Henwood, Benjamin F., Dichter, Howard, Tynan, Robert, Boermer, Krista, & Fussaro, Adam (2015). Service use before and after the provision of scatter-site Housing First for chronically homeless individuals with severe alcohol use disorders. *International Journal of Drug Policy* 26: 883–886; Larimer, Mary E., Malone, Daniel K., Garner, Michelle D., Atkins, David C., Lonczak, Heather S., Ginzler, Joshua, Hobson, William G., & Marlatt, G. Alan. (2009). Health care and public service use and costs before and after provision of housing for chronically homeless persons with severe alcohol problems. *Journal of the American Medical Association* 301: 1349–1357; Ly, Angela, & Latimer, Eric. (2015). Housing First impact on costs and associated cost offsets. *Canadian Journal of Psychiatry* 60: 275–287; McLaughlin, Thomas Chalmers. (2011). Using common themes: Cost-effectiveness of permanent supported housing for people with mental illness." *Research on Social Work Practice* 21: 404–411; Sadowski, Laura S., Kee, Romina A., Vander Weele, Tyler J., & Buchanan, David. (2009). Effect of a housing and case management program on emergency department visits and hospitalizations among chronically ill homeless adults: A randomized trial. *Journal of the American Medical Association* 301(17): 1771-1778.

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- ▶ We observed modest declines in emergency room use for both RRH and PSH placements and in outpatient visits for PSH placements. In contrast, homeless individuals in control groups show moderate increases in emergency room use for both RRH and PSH placements and in outpatient visits for PSH placements.
- ▶ The largest differences in mental health services use were observed for days spent in acute inpatient hospital settings. For both RRH and PSH placements, acute care inpatient days decreased substantially, while increasing significantly for the comparable groups with no placement.
- ▶ Mental health outcomes showed a similar picture. For RRH placements, we observe declines for crisis stabilization care and outpatient visits, which increased for the control group. For PSH placements, we saw this contrast for crisis stabilization care, while outpatient visits increased for the control group but stayed the same for the treatment group.
- ▶ There were no significant differences for those placed in IH. All health and mental health services uses increased similarly for both treatment and control groups, implying that IH placements did not mitigate the need for health and mental health care.

These results show that placements in permanent housing reduced the use of both health and mental health services, as measured by service utilization in DHS and DMH facilities. The improvement is particularly significant observing the decline in the numbers of days spent in inpatient settings, which increased considerably in the absence of a PH placement. Having access to stable housing likely shortens hospital stays, as patients can discharge earlier and convalesce at home, or may obviate entirely the need for an inpatient stay. As a result, a person experiencing homelessness may be treated on an outpatient basis. Such a transfer of care modes is appropriate and may explain why outpatient services is the one care mode that had the smallest level of pre-post change among the PSH and RRH treatment groups.

Another striking finding is that, in contrast to the results associated with RRH and PSH placements, receiving an interim housing placement has little impact on the use of health and mental health services. Interim housing is not a form of permanent housing, and, in the service patterns observed here, those in the IH group instead resemble those in the homeless group. In this case, both the IH and control groups are in fact homeless.

Conclusion

This report has continued the HI outcomes presented in the previous three reports in this series and expanded the focus of these reports by including three sections with new examinations of the dynamics of homelessness in LA County, and the impacts of homeless services that were established or expanded under HI. After the introduction, the next three sections add a fourth year of findings to the macro, meso, and micro-measures that have been at the heart of outcomes reporting related to the HI. The three additional sections examine homeless population dynamics, collateral use of health and mental health services, and five evaluation studies on HI components that were completed in the previous year. To conclude, we present an integrated summary and discussion of these findings as a basis for assessing their implications for HI and homelessness in Los Angeles.

6.1 MACRO, MESO, AND MICRO MEASURES

Key Takeaway #1

- ▶ The outcomes in Year 4 also either continued or consolidated the steady improvements in many areas as the services provided under the HI programs continued expanding capacity. Placements continue to be made in a timely matter, including an average of 108 days for PSH and 77 days for RR. Self-resolved exits to PH continue to average 82 days. Returns to homelessness overall remain low at 7.8% after six months.

Findings from Year 4 show that, for the third consecutive year, over 20,000 people experiencing homelessness exited homeless services to PH placements (macro-measure 2). Nearly 10,000 of these PH placements occurred within the purview of HI-supported initiatives (meso-measure 3). Looking at these PH placements over the last three years, 56,000 unduplicated people exited shelter stays to PH (both HI- and non-HI-funded), and 31,000 of these exits came under the auspices of HI-supported services.

Noteworthy also were IH placements, which declined 25% after significant year-over-year growth since FY 2016-17. Building IH capacity is a key component of reducing LA's large unsheltered population, and the onset of the COVID-19 pandemic, and the resulting need to "decompress" shelter facilities, has handed these efforts an additional challenge. The reduction in IH housing capacity in Year 4 is one of the first indicators of COVID-19's impact on LA's homeless services, and COVID-19 will almost certainly have a much larger impact on HI strategies in the upcoming Year 5. In addition, the rental unit vacancies in LA has been very low over the past couple of years making permanent housing opportunities harder to secure. This has made the IH lengths of stay longer, thus reducing the number of IH beds that turn over.

6.2 NEW TOPICS

Key Takeaway #2

- ▶ The first two studies of this report highlight the potential for the administrative data used for the macro, meso, and micro measures to inform other aspects of the HI. In contrast, the evaluations reviewed in Appendix B show the limitations of relying solely on these data in assessing the impact of the HI on levels of homelessness in LA County.

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With four years having passed since the initiation of HI, there is growing opportunity to assess dynamics related to homelessness and homeless services that stand to inform and improve homeless services structure and delivery under HI. This report includes three such studies.

In Section 4, the first study addresses the apparent paradox of why LA's homeless population, as per the annual point-in-time count, has grown by 13% in each of the past two years despite the expansion in LA's homeless services and the growth in funded exits from homelessness. Our analysis of inflows and exits suggests that the growing census is primarily a result of increases in the persistently homeless subgroup. While there has been some increase in the number of entries, most new entries to homelessness result in exits following relatively brief stays. A focus on addressing persistent homelessness therefore is likely to have the greatest potential impact on the level of homelessness in LA. The planned growth of 10,000 PSH units over the next five years under Proposition HHH, with the first substantial number of units opening this year, holds some promise that significant progress can be made. Additional efforts to stabilize people at risk of persistent homelessness, and to prioritize existing resources towards housing them, could also avert further accumulation of people in this subgroup, and contribute to a reduced census.

This year's report also included an assessment of the impact of PH placements on acute health care services in comparison to a matched control group (Section 5). The results indicate that PSH and RRH services significantly reduce general medical and mental health inpatient, emergency, and crisis services use among people placed, in compared to both their own levels of services used preplacement and to the control group. In contrast, placement in IH does not have an impact on health and mental health outcomes. Indeed, service needs appear to increase irrespective of the length of stay in IH. These results confirm that the benefits of HI programs extend beyond housing, with one substantial positive impact being reductions in the use of costly county-funded health and mental health services.

A third new study, included as Appendix B, is the synthesis of five evaluations that were commissioned by LA County to examine, in detail, key components of the HI. Each of these evaluations provides detailed accounts of the structure and functioning of these components — prevention, outreach, interim and bridge housing, PSH, and RRH — as they critically assess both outcomes and processes. Each evaluation shows how HI resources expanded the services provided in these components, as well as key changes in how these services were implemented in conjunction with HI support. While the evaluations show some specific features that are effective and others that need further attention, they are unable to extensively assess how the services have impacted homelessness in LA County beyond descriptive findings of services provided and people who have been served.

6.3 HI AND HOMELESSNESS IN LA COUNTY: LOOKING AHEAD

Key Takeaway #3

- ▶ Year 4 of HI continues to show progress in the placement of people experiencing homelessness in PH. Growth in persistent homelessness, however, has resulted in a net increase in the PIT two years in a row. The opening of significant numbers of PSH under Proposition H over the next five years should substantially mitigate levels of persistent homelessness.

The health and economic conditions created by the COVID-19 pandemic will mean that funding for HI and expected levels of homelessness overall, in the current year and beyond, are uncertain, although continued investments in PH placements will have a clear and unambiguous positive impact on the people served.

One indicator of the impact of the COVID-19 pandemic that was clearly captured in this report is the 25% decline in IH this year, representing approximately 5,000 people. The pandemic necessitated taking steps in shelters to reduce infection risk that resulted in “decompressed” shelter accommodations and reduced capacity. In the wake of this decompression, increasing placements of homeless households occurred in hotel and motel settings, and culminating with Project Roomkey, which is separate from HI initiatives. To the extent that Project Roomkey clients exit from hotels

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and motels to housing, a commitment made by the County and LAHSA, this could result in a decline in the number of people experiencing homelessness this year. The continuing pandemic crisis could lead to further Project Roomkey placements and exits to housing, including through conversion of some hotels and motels to permanent housing.

However, the continuing pandemic could have a negative impact on PH placements overall if HI funding is significantly diminished because of declining tax revenues. Furthermore, the continuing economic impact of the pandemic on incomes and rent arrears threatens to exacerbate demand for homelessness assistance. Demand for homelessness prevention is especially likely to grow amidst a pending wave of evictions (subject to potential federal, state, and local actions which could mitigate pandemic-related evictions). All these factors suggest that the coming year poses a number of uncertainties with respect to HI, homelessness assistance more generally, and overall levels of homelessness.

A further challenge related to the changing nature of homeless services in response to the pandemic is the need to accommodate additional data sources. Data on hotel and motel placements, including those under Project Roomkey, need to be integrated with HMIS and other databases that collect records on homeless services, as the reductions in longstanding services such as IH will present a prominent yet incomplete picture of efforts to safely shelter people experiencing homelessness. This would then inhibit comprehensive assessments of LA County's HI during a time when data should play an even more critical role in informing the evolving role of the strategies reviewed here.

Micro-Level Strategy Performance Measures

The performance outcomes developed for each of the individual HI strategies are the foundation of the higher-order (macro and meso) results presented in this document. When micro-data were not available, these strategies are assessed based on the County's quarterly reports. This section presents highlights of Year 4 outcomes from selected strategies, comparing them to Year 3 outcomes in six topic domains.

A.1 TOPIC A: PREVENT HOMELESSNESS

Summary of Micro Measure Outcomes for Topic A

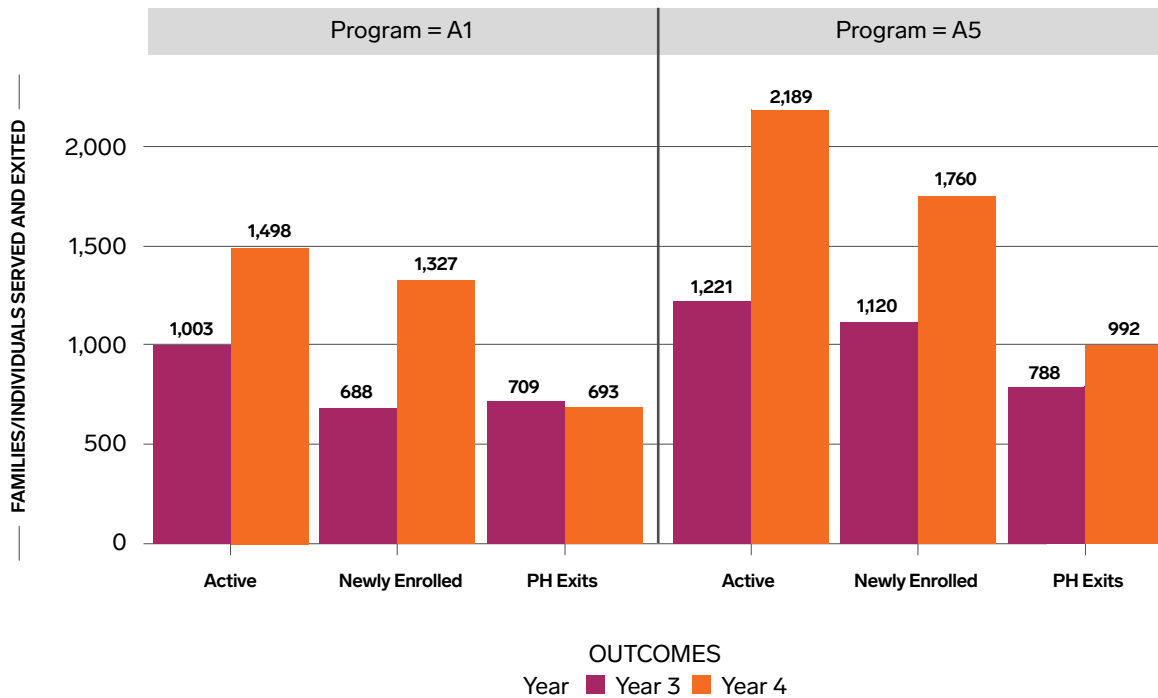
TOPIC A: PREVENT HOMELESSNESS

- ▶ The number of families served under Strategy A1 (Homelessness Prevention Program for Families) increased by 50% between Years 3 and 4, reaching almost 1,500, while the number of newly enrolled households doubled.
- ▶ The percentage of participant families that exited A1 and either retained their housing or moved into PH decreased from approximately 89% to 79%.
- ▶ Strategy A5 (Homeless Prevention Program for Individuals) expanded in Year 4. Active enrollments increased from 1,221 to 2,189, and new enrollments rose from 1,120 to 1,760.
- ▶ The proportion of participants that exited the program who managed either to retain their housing or move to PH decreased from 93% to 74%.

APPENDIX A

Outcomes of these two strategies are shown in Figure A-1.

Figure 4-1. Number of Households and Individuals Prevented from Becoming Homeless
A1 - Households and A5 - Individuals



A.1.1 A1: Homeless Prevention Program for Families

- ▶ For Strategy A1, in Year 4 active household enrollments increased from 1,003 to 1,498, and newly enrolled households increased from 688 to 1,327.
- ▶ The number of families that exited into PH stayed almost the same (from 709 in Year 3 to 693 in Year 4), but the proportion of participant families that exited the program who managed either to retain their housing or move to PH decreased from 89% to 79%.

Summary of Micro Measure Outcomes for Topic B

TOPIC B: SUBSIDIZE HOUSING

- ▶ After new enrollments were suspended from March 2018 until February 2019, in Year 4 the B1 program provided subsidized housing to 1,358 homeless disabled individuals pursuing SSI.
- ▶ Strategy B3 (Partner with Cities to Expand RRH) contracted in Year 4. The number of new enrollments dropped from 10,703 in Year 3 to 8,995, and the number of active participants declined from 20,950 to 19,297. The number of individuals and family members placed in PH also dropped, from 7,038 to 6,090, or 13%.
- ▶ Strategy B7 (Interim/Bridge Housing for Those Exiting Institutions) continued to expand. The number of active enrollments increased from 3,199 in Year 3 to 4,333, and the number of new enrollments rose from 2,589 to 3,865.

APPENDIX A

A.1.2 A5: Homeless Prevention Program for Individuals

- ▶ Like A1, strategy A5 expanded significantly in Year 4. Active enrollments increased from 1,221 to 2,189, and the number of new enrollments rose from 1,120 to 1,760.
- ▶ The number of individuals that exited into PH also increased from Year 3 to Year 4 (from 788 to 992), but the proportion of participants that exited the program who managed either to retain their housing or move to PH decreased from 93% to 74%.

A.2 TOPIC B: SUBSIDIZE HOUSING

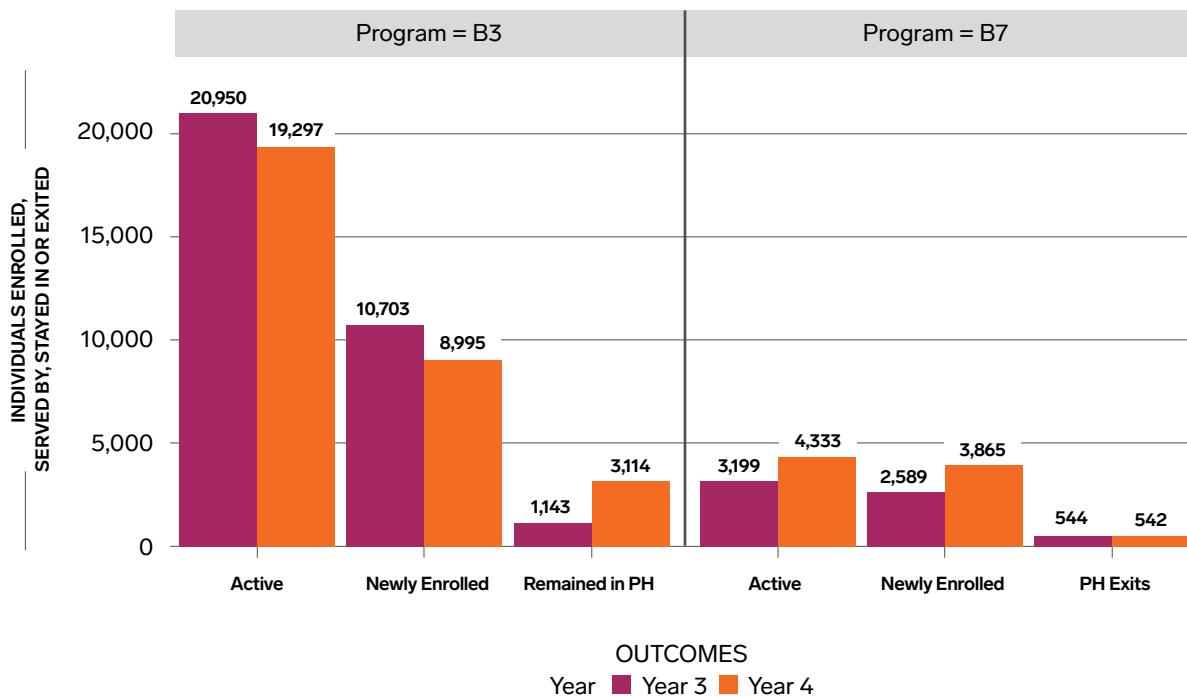
Detailed outcomes were available for Strategies B3 and B7, and summary outcomes were available for Strategies B1 and B4:

A.2.1 B1: Provide Subsidized Housing to Homeless Disabled Individuals Pursuing SSI

- ▶ After new enrollments were suspended until February 2019, in Year 4 the B1 program provided subsidized housing to 1,358 homeless disabled individuals pursuing SSI. Numbers of people participating in B1 programs are shown in Figures 2-3 and 3-4.
- ▶ The number of B1 participants approved for SSI also increased from 117 to 210.

A.2.2 B3: Partner with Cities to Expand Rapid Rehousing

Figure A-2. Individuals Enrolled in and Served by and Stayed in or Exited into PH B3 and B7 Programs



As shown in Figure A-2:

- ▶ In Year 4, this program contracted after expanding in the earlier years. The number of new enrollments dropped from 10,703 to 8,995, and the number of active participants declined from 20,950 to 19,297.

APPENDIX A

- ▶ Similarly, the number of individuals and family members placed in PH also dropped, from 7,038 to 6,090 or 13%, because of sunseting of the DHS B-3 program as shown in Figure 3-4.
- ▶ However, of B3 participants who secured housing with a RRH subsidy, number who remained in permanent housing upon exiting the RRH program more than doubled in Year 4 from 1,143 to 2,858. Only 168 B3 participants exited to other destinations upon exiting the RRH program.

A.2.3 B4: Facilitate Utilization of Federal Housing Subsidies

- ▶ After showing a big expansion in Year 3, the program stabilized in Year 4:
 - The total amount of security deposits and move-in assistance stayed at almost \$6 million.
 - The number of formerly homeless housed with B4 incentives increased from 2,120 to 2,277.
 - The number of units leased with B4 incentives increased from 1,863 to 2,425.
 - The amount of incentives provided to landlords stayed at almost \$4.2 million, but the number of landlord requests to participate declined from 2,435 to 1,929.

A.2.4 B7: Interim/Bridge Housing for Those Exiting Institutions

As shown in Figure A-2:

- ▶ In Year 4, the B7 program continued to grow. The number of active enrollments increased from 3,199 to 4,333, and the number of new enrollments rose from 2,589 to 3,865.
- ▶ The number of B7 participants who exited to a PH destination stayed at the same level, at 542.
- ▶ The distribution of the institutions through which individuals under B7 were served changed significantly relative to Year 3 (not in figure). The share of criminal justice institutions increased from 26% to almost 34%, and the share of substance abuse treatment centers increased from 28% to almost 33%.

Summary of Micro Measure Outcomes for Topic C

TOPIC C: INCREASE INCOME

- ▶ Under Strategies C2 (Increase Employment through Supporting Social Enterprise) and C7 (Subsidized Employment for Homeless Adults), the number of participants enrolled in transitional employment almost doubled, from 1,265 in Year 3 to 2,246 in Year 4.
- ▶ Participants enrolled in Strategy C4 (Countywide SSI Advocacy Program) increased from 11,499 to 16,888. Of the 16,888 enrollments in Year 4, 5,739 were newly enrolled during that year. The number of participants whose applications for SSI/Veterans' benefits were submitted increased from 1,382 to 2,168. The number of participants approved for SSI/Veterans' benefits more than doubled, from 346 to 839.

A.3 TOPIC C: INCREASE INCOME

Summary outcomes were available for the following strategies:

A.3.1 C2/C7: Increase Employment for Homeless Adults

- ▶ The program continued to expand in Year 4:
 - The number of participants enrolled in transitional employment almost doubled, from 1,265 to 2,246.
 - The number of participants placed in unsubsidized employment increased from 742 to 872, and the number of DPSS General Relief participants served rose from 215 to 562.

A.3.2 C4/C5/C6: Countywide SSI/Veterans Benefits Advocacy Program for People/Veterans/Inmates Experiencing Homelessness or at Risk of Homelessness

- ▶ Countywide Benefits Entitlement Services Teams programs expanded in Year 4:
 - The number of individuals currently enrolled increased from 11,499 to 16,888. Of the 16,888 enrollments in Year 4, 5,739 were newly enrolled during the year.
 - The number of participants whose applications for SSI/Veterans' benefits were submitted increased from 1,382 to 2,168. The number of participants approved for SSI/Veterans' benefits more than doubled, from 346 to 839.

A.4 TOPIC D: PROVIDE CASE MANAGEMENT AND SERVICES

Summary of Micro Measure Outcomes for Topic D

TOPIC D: PROVIDE CASE MANAGEMENT SERVICES

- ▶ Inmates receiving jail in-reach services under Strategy D2 (Expansion of Jail In-reach) declined slightly, from 1,349 to 1,223.
- ▶ The number of homeless persons seeking to clear criminal histories under Strategy D6 (Criminal Record Clearing Project) increased from 2,780 to 4,163.
- ▶ PH placements associated with Strategy D7 (Provide Services and Rental Subsidies for PSH) continue to expand in Year 4. The number of new enrollments increased from 3,995 in Year 3 to 4,846. The number of active participants increased from 7,255 to 12,573. The number of placements in permanent housing increased from 2,150 to 2,409.
- ▶ The number of participants in existing PSH units that had insufficient supportive services (D7-Flex) who began receiving D7 intensive case management services to increase housing retention more than doubled in Year 4, from 803 to 1,885.

Summary outcomes were available for Strategies D2 and D6, and micro-data were used for Strategy D7:

A.4.1 D2: Expansion of Jail In-reach

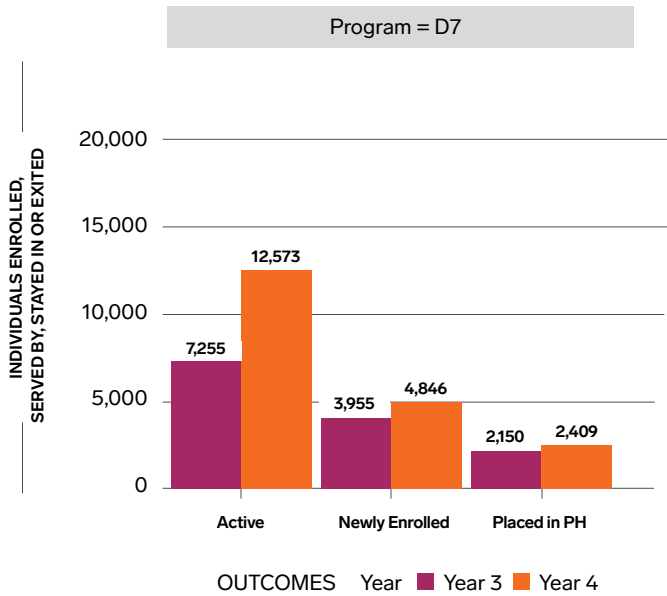
- ▶ The program was stable in Year 4 with small reductions:
 - The number of inmates who received services dropped slightly from 1,349 to 1,223, while the number of VI-SPDAT assessments stayed almost the same at 952.
 - The number of D2 participant inmates placed in bridge housing upon release decreased from 429 to 379 due to the impact of COVID-19.
 - The number of D2 participant inmates referred for General Relief and Medi-Cal application assistance increased from 63 to 124 and from 75 to 546, respectively.

A.4.2 D6: Criminal Record Clearing Project

- ▶ In Year 4 the program continued to expand:
 - Petition filings for dismissal or reduction of criminal records by the Public Defender and City Attorney increased from 2,780 to 4,163.
- ▶ The number of petitions granted increased from 1,656 to 3,242.
- ▶ However, the number of homeless persons engaged decreased from 2,108 to 1,731.

A.4.3 D7: Provide Services and Rental Subsidies for PSH

Figure A-3. Individuals Enrolled in and Served by and Placed in or Exited into PH D7 Program



- ▶ The program continued to expand in Year 4. The outcomes are shown in Figure A-3:
 - The number of new enrollments increased from 3,995 to 4,846.
 - The number of active participants increased from 7,255 to 12,573.
 - The number of placements in permanent housing increased from 2,150 to 2,409.
- ▶ The number of participants in existing PSH units that had insufficient supportive services (D7-Flex) who began receiving D7 intensive case management services to increase housing retention more than doubled, from 803 to 1,885.

A.5 TOPIC E: CREATE A COORDINATED SYSTEM

Summary of Micro Measure Outcomes for Topic E

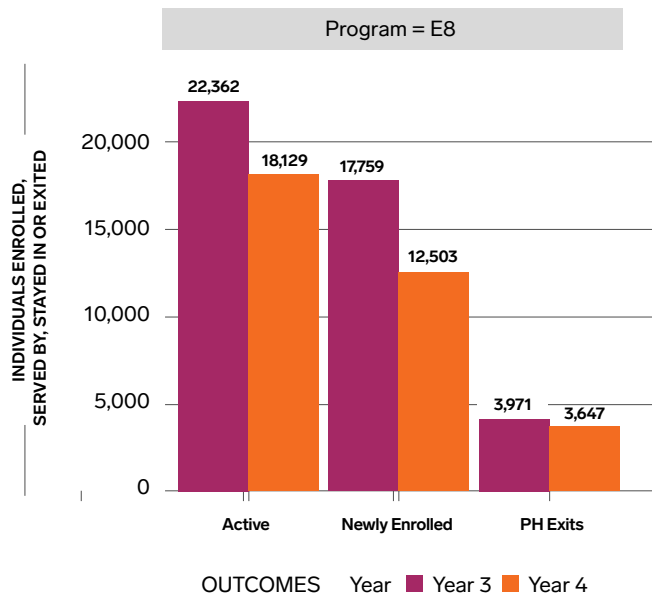
TOPIC E: CREATE A COORDINATED SYSTEM

- ▶ The number of individuals receiving services and/or referrals through Strategy E6 (Countywide Outreach System) continued to expand in Year 4. The number of individuals newly engaged increased from 10,905 to 14,005. The number of individuals who were placed in crisis or bridge housing more than doubled, from 1,468 to 3,093. However, the number of persons who were connected to services or who obtained referrals dropped from 17,673 to 15,419.
- ▶ The number of households assessed in the E7 (Strengthen the Coordinated Entry System) program increased from 27,116 to 22,538. Average length of time from assessment to housing match increased from 257 to 376 days, exceeding one year. Number of persons/households who increased their income rose slightly, from 7,093 to 7,404.
- ▶ Strategy E8 (Enhance the Emergency Shelter System) contracted significantly in Year 4. The number of new enrollments decreased from 17,759 to 12,503, and the number of active participants decreased from 22,362 to 18,129. The decline in IH placements in Year 4 was caused mainly by the COVID-19 crisis.

Micro-data were used for strategy E8, and summary outcomes were presented for three other strategies.

A.5.1 E8: Enhance the Emergency Shelter System

Figure A-3. Individuals Enrolled in and Served by and Placed in or Exited into PH D8 Program



- ▶ The program contracted in Year 4, as shown in Figure A-4:
 - The number of new enrollments decreased from 17,759 to 12,503.
 - The number of active participants decreased from 22,362 to 18,129.
 - The number of participants exiting to permanent housing declined from 3,971 to 3,647, but the proportion of exits to permanent housing increased from 17.8 to 20.2 Percent
 - The decline in IH placements in Year 4 was caused mainly by the COVID-19 crisis.

A.5.2 E6: Countywide Outreach System

- ▶ The program expanded in Year 4:
 - The number of individuals newly engaged increased from 10,905 to 14,005, increasing total engagements from 15,039 in Year 3 to 19,224 in Year 4.
 - The number of persons who were connected to services or who obtained referrals dropped from 17,673 to 15,419. This decline is likely the results of the COVID-19 pandemic.
 - The number of individuals who were placed in crisis or bridge housing doubled from 1,468 to 3,093, while placements in PH slightly declined from 757 to 699.

A.5.3 E7: Strengthen the Coordinated Entry System

- ▶ Outcomes for the E7 strategy are as follows:
 - The number of households assessed decreased from 27,116 to 22,538.
 - Average length of time in days from assessment to housing match for those who had a housing match increased from 257 to 376 days, exceeding one year.
 - The number of persons/households who increased their income increased slightly, from 7,093 to 7,404.

A.5.4 E14: Enhanced Services for Transition Aged Youth (TAY)

- ▶ Outcomes for the E14 strategy are as follows:
 - The number of TAY youth who were assessed using the Next Step Tool decreased from 3,285 to 2,404.
 - The percentage of participants who exited transitional housing to permanent housing destinations increased from 39 to 49.
 - The number of children linked to appropriate educational programs rose from 1,811 to 2,389.

A.6 TOPIC F: INCREASE AFFORDABLE/HOMELESS HOUSING

Many of the strategies under this topic operate on a systems level and are difficult to quantify on a person and services level, which is the primary focus of this report. Given this, no summary of findings (as was done for the first five topics) are presented here.

The selected outcomes are:

A.6.1 F1: Promote Regional SB 2 Compliance

- ▶ The Regional Planning Commission approved the Interim and Supportive Housing Ordinance, which strengthens the County's compliance with SB 2.

A.6.2 F3: Support for Inclusionary Zoning for Affordable Rental Units

- ▶ The Regional Planning Commission approved the Inclusionary Housing Ordinance.

A.6.3 F4: Development of Second Dwelling Unit Pilot Project

- ▶ The Regional Planning Commission recommended approval of the updated Accessory Dwelling Unit (ADU) Ordinance to the Board of Supervisors.
 - On August 4, 2020, the Board approved the ADU Ordinance and instructed County Counsel to prepare the final Ordinance for Board consideration.
- ▶ Following the final building permit approval of two ADUs through the pilot program, homeless tenants are expected to move into them by October 2020. Construction continues for the three-remaining new ADUs.

A.6.4 F7: Preserve and Promote the Development of Affordable Housing for Homeless Households and Establish a One-time Housing Innovation Fund

- ▶ Kensington Campus project was completed. Construction of six projects that received Measure H allocations is continuing and expected to be completed in Years 5 and 6.
- ▶ The remaining four projects are in predevelopment, and construction is expected to start in Year 4.
- ▶ The Board authorized the Los Angeles County Development Authority to execute and administer contracts with the five winners of the Housing Innovation Challenge (HIC).
 - The construction of two of the projects has already started.

Review of HI Evaluations

HI funded five in-depth evaluations of key strategies in the plan to combat homelessness, and LA County contracted with four organizations to provide five reports that cover seven strategies (Table B-1). The evaluations all used a similar study design, and, while each one has a different strategy focus, themes and similarities across these evaluations can yield broader insights into the overall HI. In this section, we review these evaluations and present their findings and recommendations in an integrated framework.

Table B-1: Evaluations of Specific HI Strategies

Title	Author	Strategy	Description
Evaluation of Los Angeles County Measure H-Funded Homelessness Prevention Strategies ¹⁸	California Policy Lab (CPL)	A1	Homeless Prevention Program for Families
		A5	Homeless Prevention Program for Individuals
Homeless Initiative Strategy E6: Countywide Outreach System Implementation Evaluation ¹⁹	Resource Development Associates (RDA)	E6	Countywide Outreach System
Evaluating the Effectiveness of Los Angeles County's Strategies to Expand and Enhance Interim Housing and Emergency Shelter Services ²⁰	Health Management Associates (HMA)	B7	Interim/Bridge Housing for those Exiting Institutions
		E8	Enhance the Emergency Shelter System
Evaluation of Los Angeles County's Strategies to Expand and Enhance Rapid Rehousing Services for Multiple Populations ²¹	Westat	B3	Partner with Cities to Expand Rapid Rehousing
Evaluation of Los Angeles County's Strategies to Expand and Enhance Services Provided Through Permanent Supportive Housing ²²	Westat	D7	Provide Services and Rental Subsidies for Permanent Supportive Housing

¹⁸ A brief on CPL's A1/A5 evaluation is available at: <https://www.capolicylab.org/wp-content/uploads/2020/05/Evaluation-of-LA-County-Measure-H-Funded-Prevention-Strategies.pdf>; the full CPL A1/A5 evaluation is available at: <https://homeless.lacounty.gov/wp-content/uploads/2020/02/cpl-prevention.011020.pdf>.

¹⁹ RDA's E6 evaluation is available at: <https://resourcedevelopment.net/wp-content/uploads/2020/04/rda.LAoutreach011020.pdf>.

²⁰ HMA's B7/E8 evaluation is available at: https://www.healthmanagement.com/wp-content/uploads/LA-County-Interim-and-Emergency-Housing-Evaluation-Report_Final_2-27-20.pdf.

²¹ Westat's D7 evaluation is available at: https://homeless.lacounty.gov/wp-content/uploads/2020/02/westat.rrh_011020.pdf.

²² Westat's B3 evaluation is available at: https://homeless.lacounty.gov/wp-content/uploads/2020/02/westat.psh_011020.pdf.

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Information on the strategies covered in these five evaluations is also included in previous sections of this report that cover meso-measures and micro-level strategies:

- ▶ The numbers of people gaining permanent housing, related to Strategies A1 and A5 (homelessness prevention for individuals and families, respectively), are included in subsection 3.1 (meso-measure 1) and are among the micro-level strategies reported in Appendix A.
- ▶ The number of outreach contacts, related to strategy E6, is reported in Section 4 among the micro-level strategy performance measures.
- ▶ The measures of Strategies B7 (Interim/Bridge Housing placements) and E8 (emergency shelter placements), and subsequent permanent housing exits from both, are components of meso-measure 2, which is reported in subsection 3.2. Specific outcomes for Strategies B7 and E8 are also reported in Appendix A among the micro-level strategy performance measures. See, in particular, Figures A-2 and A-4.
- ▶ Two HI strategies that are focused directly on PH — B3 (rapid rehousing) and D7 (permanent supportive housing) — are consolidated and presented as part of meso-measure 3, which is reported in subsection 3.3. Outcomes specific to Strategies B3 and D7 are also reported in Section 4 among the micro-level strategy performance measures. See, in particular, Figure A-2 (for B3) and Figure A-3 (for D7).

The meso- and micro-measure findings presented in this report are limited to basic outcomes, mostly related to program enrollment and exits or placements into permanent housing, while the evaluations examined in this section present a much deeper assessment of the programs operating under the auspices of these strategies.

B.1 STUDY DESIGN

Each of the five evaluations has a similar study design in several respects. They all are primarily process evaluations, in which they focus on the implementation of the strategy, thereby addressing “who, what, where and when questions” (RDA report, p. 8). They also include research questions and findings that could be considered part of an outcome evaluation, but none of the reports draw any definitive conclusions about the outcomes they report.

All five evaluators were instructed to address the same overarching objectives for a given strategy:

- ▶ Objective 1: To establish what the available data and performance evaluation results suggest are the strategy’s best practices and to identify practices and processes in need of being re-visited and re-worked.
- ▶ Objective 2: To reveal how persons working directly with the homeless population in the strategy define effectiveness and characterize the practices that the data suggest either bolster or impede strategy performance. Are their characterizations consistent with what the data show? If not, how do they understand the difference?
- ▶ Objective 3: To describe how specific funding sources affect the administration of a strategy and the capacity of strategy leads to deploy available resources effectively. To the extent that funding source restrictions create challenges in optimizing available resources, what are they, and are there steps that can be taken to minimize them?
- ▶ Objective 4: To detail instances in which strategy leads provide both services with Measure H funds and similar services not funded with these revenues. How does the administration of non-H-funded services and benefits differ from the administration of those funded with H dollars? What are the practical implications of this difference? Does the difference suggest that non-H-funded homeless services would benefit from adopting practices specific to the H-funded portion of the same services and/or vice versa? How much does the answer to this question depend on the non-H funding sources and restrictions involved?

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In addition, each of the evaluations poses research questions that are specific to their topic and approach (Table B-2). The evaluations all include at least one question looking at participant characteristics and outcomes, and otherwise focus on various aspects of the specific services system and the delivery of services. The emphasis in different evaluations includes means for improvement (CPL), services coordination (RDA), and systemic changes following the implementation of specific strategies (Westat, RDA). In contrast, the HMA evaluation contains research questions that focus on particular aspects of interim housing.

Table B-2: Summary of Research Questions for the HI Strategy Evaluations

Evaluation	Research Questions
CPL (prevention)	<ol style="list-style-type: none"> 1. Who is being served by Strategies A1 and A5, and what is their housing status after exit? 2. How could Strategies A1 and A5 be improved, and how could scarce prevention funding be most efficiently prioritized? 3. Does prevention funded through Strategies A1 and A5 directly cause a reduction in inflows to homelessness?
RDA (outreach)	<ol style="list-style-type: none"> 1. How do systems-level factors impact the effective coordination of outreach services? 2. How do program-level factors impact the effective coordination of outreach services? 3. How do individual client services and/or experiences align to Strategy E6 objectives? <p>Each of these questions has a number of sub-questions.</p>
HMA (interim housing)	<p>Eight questions addressing</p> <ol style="list-style-type: none"> 1) differences in services delivery across providers; 2) bed rates; 3) differences in interim housing services by subpopulation; 4) quality of collaboration with collateral LA County services; 5) challenges hospitals face securing housing for inpatients/clients; 6) interim shelters and implementation of recovery-oriented principles; 7) barriers to transitioning from IH to PH; and 8) differences in outcomes among subpopulations.
Westat (two evaluations: RRRH and PSH)	<p>Same overarching question for both evaluations:</p> <p>How has Strategy (B3 or D7) affected the operation and outcomes of (rapid rehousing or inventory of permanent supportive housing) in Los Angeles County? Both evaluations also feature sub-questions: "Have there been changes in [various program elements]?" and "What are the sources of variation in these findings?"</p>

The methods and types of data used by all five evaluations are very similar. Each describes its study as a mix of qualitative and quantitative analyses. All collect and use data from stakeholder interviews, administrative data, and document review, and all except HMA collect data from focus groups. RDA researches best practices and evidence-based practices for outreach services, and HMA uses aggregated data from various county service providers. Only three evaluations (HMA and the two from Westat) include qualitative data (from focus groups) from people receiving services through HI.

B.2 STUDY FINDINGS

All five evaluations present findings for the specific service types that were evaluated. The specific findings are available in the individual evaluation reports (see Table 7-1). This review identifies various themes found across the evaluations — a task made more challenging by the different formats used by the different evaluations to report findings, and different emphases in the evaluations on specific aspects of the programmatic areas covered. Despite this, several overarching themes emerged.

B.2.1 Outcomes and Limitations of Available Administrative Data

Outcomes data reporting in all five evaluations was limited by the available administrative data. All five evaluations used HMIS data. In addition, HMA and Westat both used CHAMP data, CPL used ELP data, and RDA used data from the Homeless Outreach Portal. Specific limitations to these data that were frequently mentioned included the incompleteness of the data, concerns about internal validity, and limited data fields.

All five evaluations included findings on demographics and services use, with some comparing services use across different demographic groups and over time. All analyses of administrative data were descriptive or used bivariate tests of difference.

General findings reported across evaluations included how HI strategies and support enabled substantial expansion of services and people served. Demographic analyses generally found that a diverse mix of households were served, and these reports did not highlight any problematic racial/ethnic disparities or biases. However, some service gaps and disparities were found.

Reporting outcomes in specific evaluations included these issues:

- ▶ CPL's evaluation of prevention programs noted that substantially fewer households that received financial assistance later experienced homelessness, compared to households that received prevention services other than financial assistance. It is unclear from these data, however, whether the outcomes differences were due to the financial assistance itself or to the circumstances of the households receiving the assistance.
- ▶ CPL's evaluation also noted that households identified as at-risk for homelessness based upon ELP administrative data overlapped only minimally with the largely self-referred households that sought assistance through prevention administered under Strategies A1 and A5. This suggests that a substantial segment of the target population for homeless prevention is not participating in HI-supported prevention programming.
- ▶ HMA, in its evaluation of interim housing and emergency shelter, reported that "significant differences were observed in the demographics and health status profiles of those examined for this evaluation in the duration of their stays in interim housing, in exiting to permanent housing, and in exiting to homelessness" (p. 10). However, they note that "interpretation of these differences may be difficult" (p. 33) and offer no guidance for addressing these differences.
- ▶ HMA (pp. 38-39) noted that interim housing and emergency shelter programs regularly used quantitative and qualitative data to "identify problems and make program improvements." More specifically, the evaluation reports that "many key informants look to data related to performance metrics reported and published quarterly such as time from entry to permanent placement, type of exit (negative versus positive), time from referral to placement, and vacancy rate as indicators of success." This overlaps with the outcomes reported in the evaluation, as exit outcomes are reported, while findings on time from referral to placement and vacancy rates are not. More generally, staff-driven initiatives to use data for improving program performance were reported only anecdotally.

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- ▶ Westat’s evaluation of rapid rehousing reports that “the population served after Strategy B3 implementation show improvements in the documented rates at which households move into housing (50% compared to 41%) and the time it takes to move in (an average of 98 days compared to 109 days). At the same time, among those who move into housing, those served after Strategy B3 appear to remain enrolled longer before exiting compared with those served prior” (p. vii). Such outcomes are clearly central to assessing strategy performance, but “these findings need to be interpreted with caution given inconsistencies in the data” (p. vii).
- ▶ Outcomes for Westat’s evaluation of permanent supportive housing report that “outcomes are not yet known for many of those served after Strategy D7, more than a third of whom were recently enrolled and still waiting to move into housing” (p. vii). Tracking outcomes for this evaluation were also substantially hampered by “lack of integration across data systems and incomplete data” (p. viii).
- ▶ Two evaluations (CPL and RDA) noted how lack of data precluded their undertaking analyses that might associate strategy implementation with reductions in homelessness, and each proposed means for how to assess this relationship should the prerequisite data become available. CPL noted that, although they found that about 1 in 10 households assisted with prevention services experienced subsequent homelessness, without a research design that provided a meaningful comparison group it was impossible to determine how many additional households among those assisted would have experienced homelessness without the assistance. RDA outlines a means by which future evaluations can “study relationships between E6 outreach service engagement (dosage) and exits to stable housing (outcomes)” (p. 8). To implement either approach would require substantial additional data collection to supplement existing administrative data.

Taken together, outcomes reported in the evaluations were limited because of the studies’ reliance on data, mostly from administrative sources, that was already collected and that had limited data fields and, in some cases, notable quality issues. In none of the evaluations did the outcomes measures precede or guide the collection of the administrative data.

B.2.2 Process Evaluation

All five evaluations devoted attention to examining processes related to implementing the strategies that were evaluated.

The overall charge to the evaluations from LA County, as reported by HMA (p. 11), included an examination of the processes by which HI funds impacted the delivery of services. Specifically, to what extent was HI funding able to optimize service delivery, and how did service delivery approaches of HI-funded programs differ from those of other programs that provided similar services? The evaluations reviewed here took different approaches to evaluating processes that, generally, were consistent with this framework but typically focused on more specific aspects of the strategies under examination.

The CPL evaluation found that, overall, Strategies A1 and A5 have led to expanded prevention efforts and that, under this overall strategy, providers were “practicing prevention in ways consistent with its design” (p. 20). CPL homed in on two fundamental elements of the process of administering prevention services: the use of a screening tool to determine need for prevention services and which prevention services would be provided; and going beyond self-referral to examine other means for identifying households at high risk for homelessness as part of increasing access to prevention programming for such households. This resulted in specific means for improving the efficiency of the screening tool and expanding the pool of beneficiaries of prevention services.

Of the five evaluations, RDA provides the most detailed examination of process in looking at a system that, under Strategy E6, has seen substantial expansion and reorganization of outreach services and the 200 programs providing such services under HI. Many of the findings, taken together, illustrated how E6 resources provided the means to provide a system structure that previously had little central organization or coordination.

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HMA noted the considerable administrative challenges involved in aligning different funding sources, including Strategies B7 and E8 resources, but found that providers were generally able to integrate these services to provide consistent interim housing and emergency shelter services. The most variation noted in the study came from the different services need required by different sub-populations that used this system. Beyond that, findings were focused on specific issues such as coordinating referrals from hospitals, implementing recovery-oriented principles, and establishing sufficient and consistent bed rates.

The two studies by Westat take similar approaches to assessing the process of providing RRH and PSH services. Both evaluations document how the funding provided substantial expansion in the availability of both services types and has facilitated systems in which there is increased guidance, training, and collaboration that lay groundwork for more coordinated and uniform service delivery. However, both evaluations note how high staff turnover and burnout hampers the quality of service delivery in both systems. The RRH evaluation noted considerable variation in program implementation and levels of provider discretion that facilitate inconsistent services delivery. Delivery of PSH services, in contrast, seems more focused on and uniform in the approach to providing case management support and moving clients to housing, though coordinating housing and services across different providers and geographies posed substantial challenges.

B.2.3 Best Practices

Two evaluations in particular focus on the extent to which programs in a particular strategy implemented best practices. RDA, based upon a systematic review of the literature on best practices in the domain of homeless outreach services, concluded that “Strategy E6 has implemented outreach services that align with most best practices recognized by experts” (p. xv) and detail a list of specific best practices implemented by E6-supported programming. However, they also note an absence of system-wide quality measures that would facilitate a process whereby all individual outreach programs implement these best practices consistently across the system.

In the interim housing and emergency shelter evaluation, HMA uses available data and performance evaluation results to identify best practices used within the context of the strategies being evaluated. Particular focus was given to the increased supply of interim beds and access to shelters; the referral process that links DHS hospitals to recuperative care providers; and the implementation of various “low barrier” approaches. However, HMA also pointed out several processes that could potentially serve as best practices as needing improvement (p. vii).

Additionally, two studies assessed a widely recognized best practice involving the use of instruments to match program participants with corresponding services. CPL demonstrated the benefits of substantially revising and streamlining the instrument used to assess need for prevention services, and HMA suggested that the administration of the instrument used for referring participants to housing services impaired an accurate assessment of their need.

B.2.4 Other Findings

Other topics were covered across two or more evaluations:

- ▶ *Collaboration and coordination.* There was a consensus that the implementation of the various HI strategies covered in these evaluations facilitated a greater degree of collaboration and coordination between various entities involved in the delivery of services and other involved entities. All of the studies featured system coordination and collaboration prominently among their findings and noted specific achievements in this area. There were also some specific instances noted where additional coordination and collaboration are needed, including coordinating legal services with homeless services (prevention); collaborations between homeless-serving agencies, law enforcement, and sanitation departments (outreach); and collaborations with substance abuse services (interim housing and emergency shelter).

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- ▶ *Data collection.* As noted in subsection B.2.1, the limitations of available data circumscribed the ability of the evaluation reports to evaluate outcomes and impacts of the HI strategies. Westat's two evaluations (RRH and PSH) were particularly forthright in noting the need for improved data quality and integration across systems. One mitigating factor for this may be timing, as programs such as RRH and PSH require lead time to track program participation and length of housing tenure. Therefore, as the program matures the data quality will also improve. RDA's evaluation illustrates this as, in assessing outreach, their evaluation noted progress in the development of the Homeless Outreach Portal and improved data collection and sharing among outreach providers. Finally, HMA noted how interim housing and shelter providers were using data to assess performance in various areas.
- ▶ *Availability of permanent housing.* The lack of available and affordable permanent housing was a general theme across the evaluations as a structural factor, largely beyond the control of homeless services providers, that impeded successful outcomes. "Expectations for movement to permanent housing may be too high, given the lack of housing availability" (HRA, p. 43) is one clear example of how housing availability impacts homeless services. The two Westat evaluation studies each pointed out that the challenges around permanent housing availability make developing effective means of "landlord cultivation" a critical part of both RRH and PSH services.

B.3 SECTION CONCLUSION

The tone of the evaluations toward the strategies and approaches they covered was generally positive and documented the benefits of increased resources that came with the strategies on services provision and coordination. Along with this, each evaluation had specific recommendations for measures that could improve services. Many of these recommendations derived from the findings covered in subsection B.2.

These evaluations were stronger on evaluating the processes involved in implementing the strategies than they were in documenting the outcomes with respect to their impact on reducing homelessness. The primary reason for this was the availability of data, discussed in subsection B.2.1, for informing outcomes evaluations and an evaluation structure that made new outcomes data collection unfeasible. At the extreme, this resulted in CPL dropping a key research question and concluding instead that:

An estimation of the impact of prevention on inflows is vital to tackling homelessness in Los Angeles County. In order to estimate the impact of prevention on inflows, the County should consider options for future evaluations that could estimate the impact of prevention and its components on inflows (p. 81).

Similar statements can be made with respect to key outcomes in other areas reviewed here, and a better understanding of the impact of HI strategies could be achieved if more extensive and better-quality data were collected as part of each strategy's implementation, or if subsequent evaluations had more resources (principally time and/or funding) to collect outcomes data specifically for the evaluation. Evaluating the HI strategies is clearly important, and as the HI matures it will be critical to have more information about outcomes to complement the body of information about processes that this initial set of evaluations provides.

Technical Appendix

C.1 METHODOLOGY OF FLOW ANALYSIS

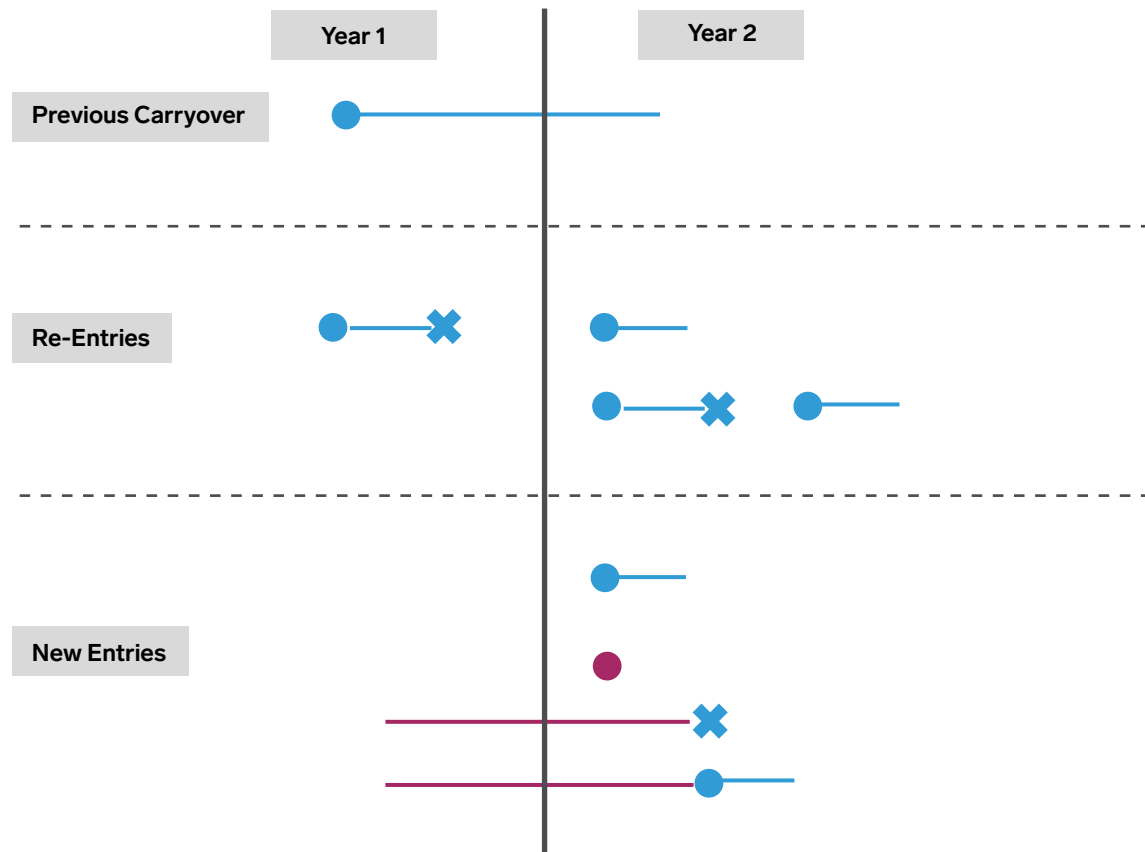
In this section, we elaborate the methodology developed in section 5 to estimate monthly and annual numbers of flows into and out of homelessness. We used HMIS data for clients, projects, enrollments, exits and services from 2016 to 2020. The data behind these calculations represent monthly arrays of homelessness indicators for everyone recorded in HMIS. If a person enrolled in a homeless program in a month, the value of the array is 1. It is 0 otherwise. Each person has one or more homelessness episodes over time and each episode has a start and end date. The episode may end in a month or may extend over several months. If there are multiple entries and exits in a month, all these incidents are aggregated and shown as a single episode in that month. Even though it has some limitations, this approach operationalized the data effectively to assess the flows of dynamics. The entries, exits, re-entries and re-exits can be easily identified and monthly homelessness metrics like entries and exits as well as the total number of homeless in a month can be accurately estimated.

Figure A-1 shows the examples of several types of homelessness episodes. In the figure, blue circles show entries to homelessness (HMIS enrollments), green circles show permanent placements in HMIS, blue crosses show exits to homeless destinations, blue lines show homelessness episodes and green lines reflect placement episodes.

In our analysis, we used three categories as demonstrated in the figure:

- ▶ *Previous carryover* refers to the group that were already homeless—receiving HMIS services in the end of year 1 and stay homeless in year 2. It is a continuous episode basically showing that a person is homeless at least in December of year 1 and January of year two. The entry is in Year 1 or earlier.
- ▶ *Re-entries* refers to the group, who were homeless—receiving HMIS services in the previous years and returned to homelessness (HMIS) in year 2. A re-entry may also happen in year 2 when a person enters and exits homelessness (HMIS) and then re-enters later in that year.
 - However, to avoid double-counting, in annual estimates we ignore this type of re-entry and only count the first entry.
- ▶ *New entries* refer to the group who become homeless—receiving HMIS services for the first time in year 2, which may be observed in different modes. The most typical is the case when a person enrolled in HMIS for the first time like in an outreach project. The second example is the case when a homeless person placed in RRH or PSH at the time of enrollment, which is shown as a single point of homelessness because he/she was homeless at the time of placement. The third case occurs when a placement episode ends with an exit to a homeless destination. The final case is similar, but the placement episode ends with an enrollment in a homeless program in HMIS.

Figure C-1: Homelessness Episodes



Since the HMIS data is subject to various data quality problems, we made several assumptions and modifications to enhance the data for more accurate results. The most critical of these assumptions and enhancements are listed below:

- ▶ All homelessness prevention enrollments are excluded from the analysis.
- ▶ Many HMIS enrollments do not have an exit date. They are open-ended enrollments. Our approach fixes some of them like those separate outreach enrollments over multiple months with no exit dates. The person is shown homeless over all those months since there is an enrollment every month. We also made the following enhancements:
 - If an exit date is missing, we used service episodes to determine an exit date when service data is available for a person.
 - Otherwise, we used average program lengths to impute exit dates for each project type.
- ▶ If the project is a RRH or PSH project, we assume that the person is homeless at the time of placement so that that month is shown as a homeless month for that individual.
- ▶ If a person exits to a homeless destination, we assume the person stays homeless next 30 days, extending the known homeless episode by one month.
- ▶ If the exit destination is unknown (undeclared, missing or other), we tracked the person in HMIS for six months forward. If there is no new enrollment that exits are assumed as exits to a non-homeless destination. Otherwise, the exits are to homeless destinations.

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- ▶ If there is a gap of one-month non-homelessness between two months in homelessness—receiving HMIS services, we assumed that the person is also homeless in the middle month.

Finally, we use an additional homelessness category which we call persistently homeless. This group refers to those households who were homeless—receiving HMIS services six months or more during the previous 12 months. This definition is a proxy for chronic homelessness and intends to show homeless persons who stay homeless for longer periods of time. Many of these become chronically homeless after staying persistently homeless.

Monthly calculations are the sum of all homeless categories like entries or re-entries by month for all homeless persons in the data. Annual calculations are the unique count of individuals who are homeless at least once each year. Previous carryover group is only used for annual calculations since it is not relevant for monthly numbers. Quarterly numbers are aggregations of monthly numbers.

Our methodology is subject to some limitations. The most critical is our definition of homelessness. We are restricted to the HMIS data, excluding any homeless person who does not engage in a homeless program in HMIS. Some of these may be part of the PIT count and some may be out of the HMIS and PIT count altogether. These groups are unknown. However, the analysis is consistent over years for a very large section of the homeless population in Los Angeles county and shows their dynamics effectively.

Second, a large proportion of exits in HMIS are either unknown or we observe an exit with an unknown destination. This limitation leads to an unknown but significant undercount of homelessness in the data. As noted above, we enhanced the data to minimize this limitation, but this undercount still exists and needs to be assessed further.

Finally, our analysis does not capture the short stints of homelessness, which are less than one month. Multiple stints are aggregated in a month. However, our purpose is to examine long-term dynamics, so this has limited impact on our analysis.

C.2 METHODOLOGY AND DATA OF THE OUTCOME EVALUATION

To control for pre-existing systematic differences, the most commonly used methodology is propensity score matching (PSM). The propensity scores are used to account for confounding by matching control subjects to treated subjects.²³ PSM creates an output data set that contains a sample that has been adjusted by matching so that the distributions of the pre-enrollment variables are balanced between the treated and control groups. The process is initiated by generating a propensity score for each observation in the data set using a logistic regression model that includes all relevant covariates contributing to a participant's engagement in the program in question. The model estimates the probability of a person being in the treatment group for all individuals in the treatment and non-treatment groups. The propensity score would then be the predicted probability of participating in the program. After propensity scores are generated, a control group is constructed by matching participants to non-participants based on the distance difference in the propensity score of the participants and the controls, applying a matching algorithm. After the selection of control groups using propensity score matching, the treatment and control groups are compared to test whether all covariates are balanced. The validity of a propensity score model depends on how well it balances the measured variables between experimental and control subjects. After adequate variable balance has been achieved, an outcome analysis is performed, applying statistical tests as in a randomized study.

In section 5, for each treatment group, using PSM, we built control groups using several covariates available from HMIS, including demographics and disabilities. In addition, prior health and mental health service rates were balanced to minimize the baseline differences in service patterns. Control group observations were selected whose propensity scores lie in the region of common support for the propensity scores for observations in the treated and control groups. We used the greedy nearest neighbor matching approach, which selects the control observation whose propensity score is closest to that of the particular treated unit, in a manner that is sequential and without replacement. It does so by using the logit of the propensity score as

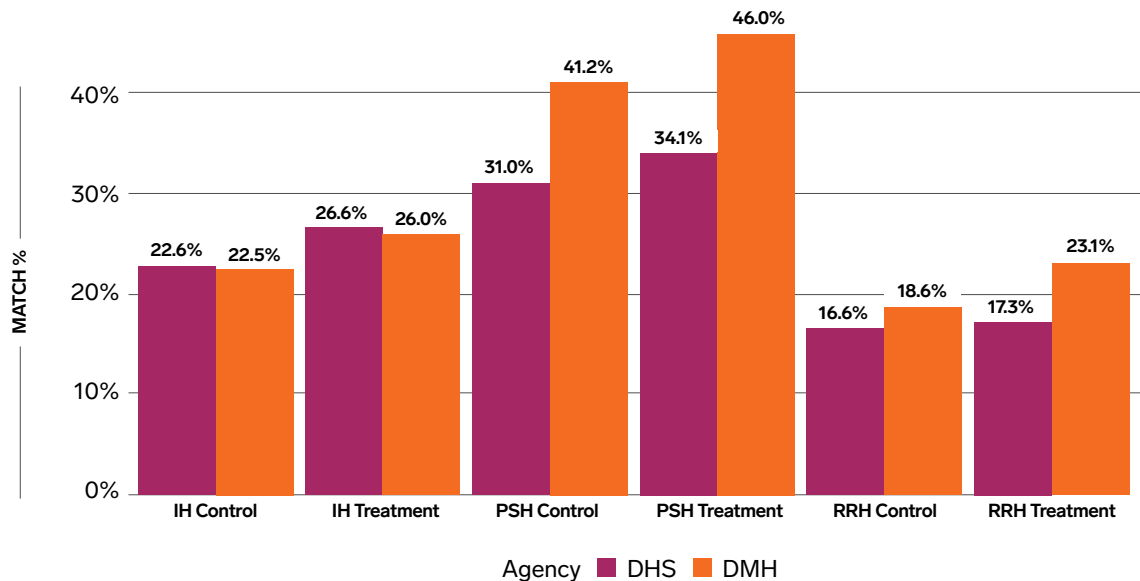
²³ Guo, S., & Fraser, M. W. (2015). *Propensity score analysis: Statistical methods and applications*. 2nd ed. Sage; Rosenbaum, P. R., & Rubin, D. B. (1983). The central role of the propensity score in observational studies for causal effects. *Biometrika* 70, 41–55; Stone, C. A., & Tang, Y. (2013). Comparing propensity score methods in balancing covariates and recovering impact in small sample educational program evaluations. *Practical Assessment, Research and Evaluation* 18(13); Stuart, E. A. (2020). Matching methods for causal inference: A review and a look forward. *Statistical Science* 25:1–21.

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the matching metric and compares the closeness of two units within .25 caliper width. Variable balance assessment was performed using standardized mean differences between treatment and control groups. We attained a good balance between two groups for all covariates and conducted the outcome evaluation for health and mental health outcomes.²⁴

Homeless individuals in treatment groups were matched against DHS and DMH client databases to link outcomes to placements using multi-tier fuzzy matching algorithms. The match rates for each group are shown in Figure C-2. The rates were slightly higher for treatment groups and the highest for the DMH treatment group, showing that almost half of the homeless individuals had a DMH service record. As expected, the match rates were the highest for persons placed in PSH.

Figure C-2. Match Rates of Study Samples against DHS and DMH Data



Sample Sizes:
RRH=3,590; PSH=2,530; IH=4,238

C.3 STATISTICAL TESTS OF THE OUTCOME EVALUATION

Outcome evaluation was performed comparing pre and post treatment and control group average annual service durations for each service type, using two-grouped t-tests. In this evaluation, t-tests show whether the utilization of selected services types is different across treatment and control groups to assess whether different placement types affect the use of health and mental health services.

Treatment effect results for health outcomes are shown in Table C-1. The table shows the results of two-group t-tests. The tested measure is the difference in means of service days between pre and post measures. If the test results are statistically significant, we conclude that there is an outcome difference due to the treatment (placement type). If the result is not statistically significant (NS), then we do not have support to accept that there was a treatment effect.

²⁴ For PSM procedures see SAS SAS/STAT 15.1 User's Guide, *The PSMATCH Procedure*, 2018. Accessed at: <https://support.sas.com/documentation/onlinedoc/stat/151/psmatch.pdf>.

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Table C-1: Two Group T-Tests of Treatment Effect of DHS Outcomes for Three Placement Types

Group	Service Type	RRH Mean	Pr> t	PSH Mean	Pr> t	IH Mean	Pr> t
Treatment	Emergency	-0.21	1%	-11.92	1%	0.7	5%
Control	Emergency	0.92		1.63		0.25	
Treatment	Inpatient	-1.6	1%	-0.6	1%	3.34	NS
Control	Inpatient	11.76		0.43		1.72	
Treatment	Outpatient	-0.4	1%	0.13	NS	0.49	NS
Control	Outpatient	0.68		0		0.11	

- ▶ For RRH placements, the pre-post differences were significantly different between treatment and control groups at the 1% significance level for all three service types.
- ▶ For PSH placements, the pre-post differences were significantly different between treatment and control groups at the 1% significance level for emergency visits and inpatient stays. There was no statistically significant difference for outpatient visits.
- ▶ For IH placements, the pre-post differences were significantly different between treatment and control groups at the 5% significance level, only for emergency visits (average visit numbers increased for both). Mean differences for other two service types were not statistically significant.

Treatment effect results for mental health outcomes are shown in Table C-2. As in Table C-1, the table shows the difference in means of service days between pre and post measures. If the test results are statistically significant, we conclude that there is an outcome difference due to the treatment (placement type). If the result is not statistically significant (NS), then we do not have support to accept that there was a treatment effect.

Table C-2: Two Group T-Tests of Treatment Effect of DMH Outcomes for Three Placement Types

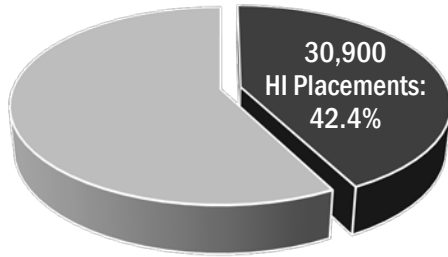
Group	Service Type	RRH Mean	Pr> t	PSH Mean	Pr> t	IH Mean	Pr> t
Treatment	Acute Inpatient	-11.38	5%	-16.88	5%	-3.55	NS
Control	Acute Inpatient	13.97		9.45		-5.63	
Treatment	Crisis Stab.	-0.55	1%	-0.45	1%	0.73	1%
Control	Crisis Stab.	1.17		0.81		0.2	
Treatment	Outpatient	-1.61	1%	0.29	5%	5.31	NS
Control	Outpatient	3.92		-2		4.68	

- ▶ For RRH placements, the pre-post differences were significantly different between treatment and control groups at the 1% significance level for crisis stabilization care and outpatient visits and at the 5% significance level for acute care inpatient stays.
- ▶ For PSH placements, the pre-post differences were significantly different between treatment and control groups at the 5% significance level for acute care inpatient stays and outpatient visits and at the 1% significance level for crisis stabilization care.
- ▶ For IH placements, the pre-post differences were significantly different between treatment and control groups only for crisis stabilization care, at the 1% significance level. Mean differences for the other two service types were not statistically significant.

PUBLIC SECTOR ANALYTICS

Figure 1
LOS ANGELES COUNTY
PERMANENT AND INTERIM HOUSING PLACEMENTS, SYSTEMWIDE
FY 2016-17 through FY 2019-20

**Four-Year Cumulative
 Permanent Housing Placements:**
72,815



**Four-Year Cumulative
 Interim Housing Placements:**
85,734

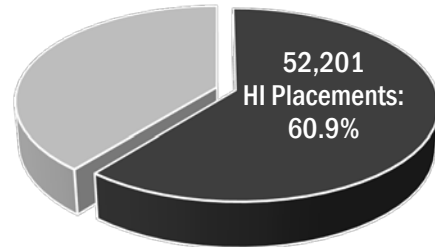


Figure 2
ANNUAL HI PERMANENT HOUSING PLACEMENTS

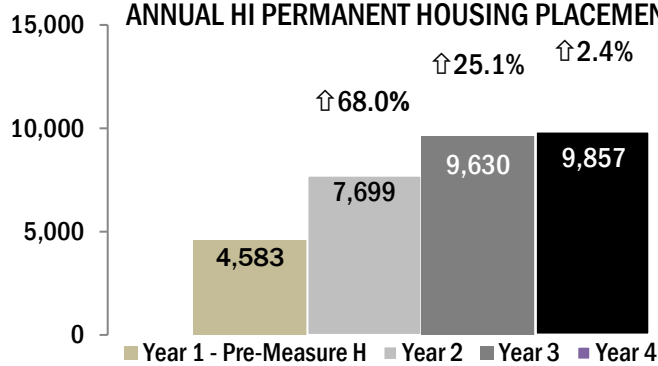


Figure 3
**CUMULATIVE SYSTEMWIDE
 PERMANENT HOUSING PLACEMENT
 Over Three Years of Measure H**

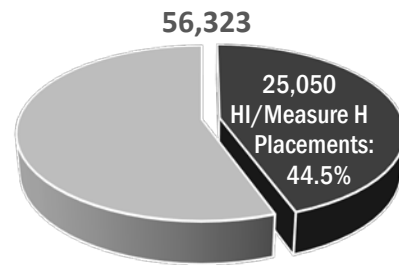


Figure 4
ANNUAL INTERIM HOUSING PLACEMENTS

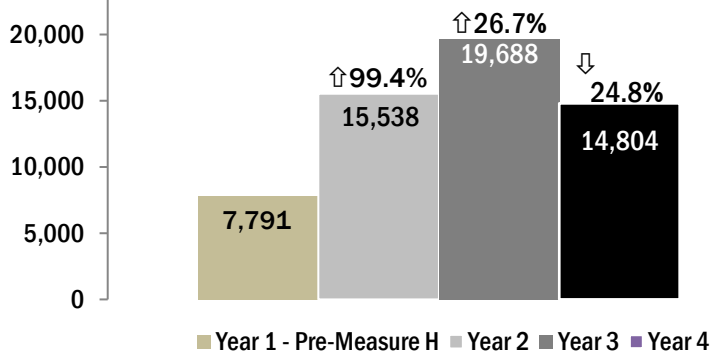


Figure 5
**CUMULATIVE SYSTEMWIDE
 INTERIM HOUSING PLACEMENTS
 Over Three Years of Measure H**

