Achieving Functional Zero in Los Angeles County

Los Angeles County's homeless services system has significantly expanded as a result of Measure H and is now housing more people than ever before. However, the system still cannot keep pace with the inflow of new people falling into homelessness every year. As a result, the 2020 Homeless Count increased by 13 percent from the previous year to about 66,000 people, three-quarters of them unsheltered. This increase occurred before the pandemic, which has undoubtedly created further housing insecurity in the region.

Functional Zero is that point when a community's homeless services system is able to prevent homelessness whenever possible and ensure that when homelessness does occur, it is rare, brief and one-time.

Achieving and sustaining functional zero necessitates having adequate housing and support services for everyone who needs it.

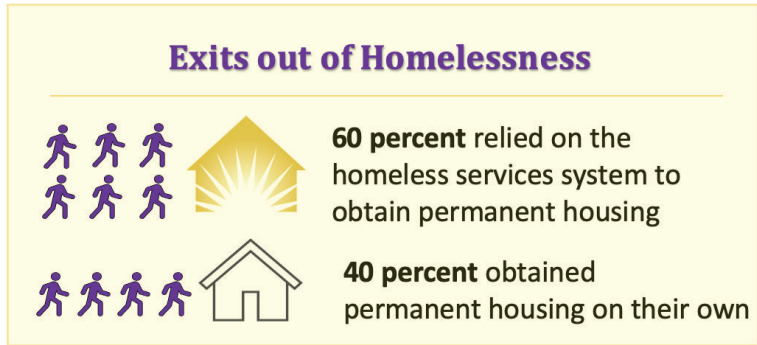**Homeless Count** is less than or equal to **System Capacity**

If we are to reach **Functional Zero**, the system must be able to provide permanent housing to everyone depending on it to secure such housing.

Based on current rates of inflow into homelessness and excluding capital costs to build new units of housing, LA County requires $500 million every year in additional, ongoing funding for services, operating, and rental subsidies – on top of existing federal, state, and local funding – to achieve an optimally functioning homeless services system, according to a 2020 analysis by the LA Homeless Services Authority.
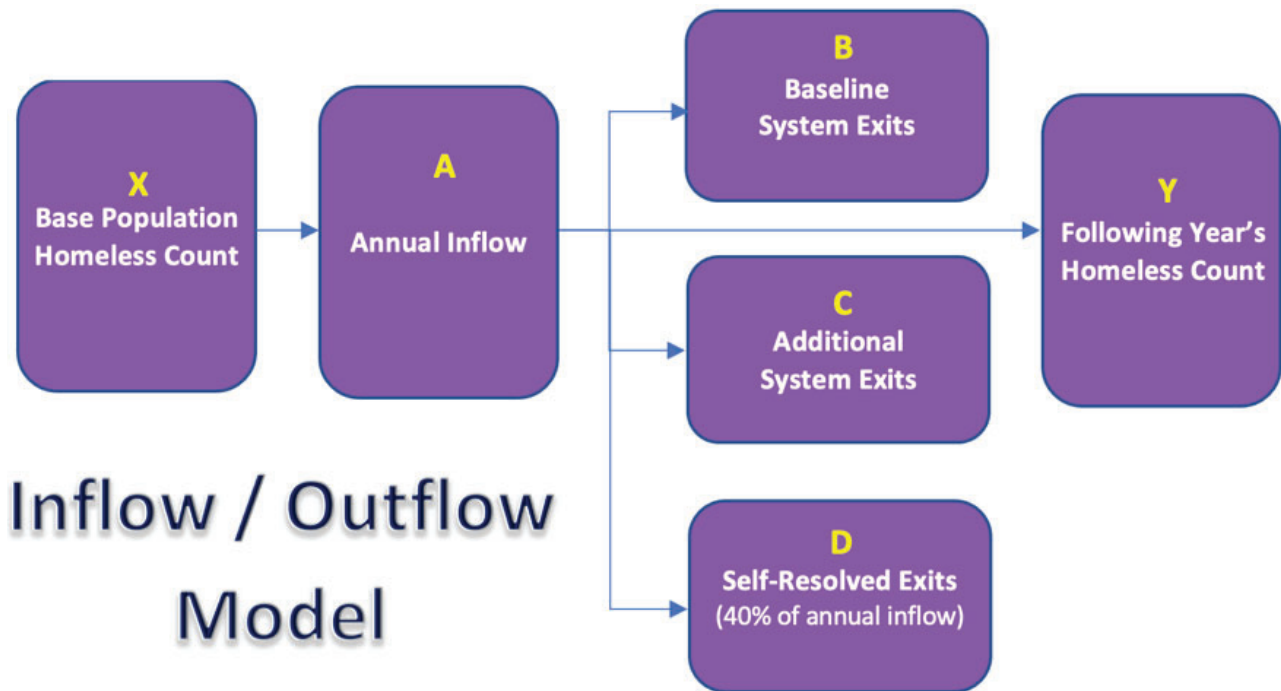
This report presents an Inflow/Outflow Model to estimate how changes in inflow and increased exits into permanent housing can impact the time it will take to functionally end homelessness.

In LA County, an estimated 60% of the people who become homeless every year depend on the system to place them into permanent housing and to help them stay housed. Currently, the system has the capacity to help about 21,000 people exit homelessness annually, which equates to 60% of 35,000.

Exits out of Homelessness

60 percent relied on the homeless services system to obtain permanent housing

40 percent obtained permanent housing on their own

This means any inflow exceeding 35,000 will trigger another increase in the Homeless Count unless the system can be expanded correspondingly to increase the number of people exiting homelessness into permanent housing.

The **Inflow/Outflow Model** demonstrates how reduced inflow and increased outflow would put us on the path to ending homelessness and allows us to project the impact of actions that accomplish those aims, including policy changes to reduce inflow and increased resources for both homelessness prevention and permanent housing.

B
Baseline System Exits

X
Base Population Homeless Count

A
Annual Inflow

Y
Following Year's Homeless Count

C
Additional System Exits

Inflow / Outflow Model

D
Self-Resolved Exits
(40% of annual inflow)

To reduce inflow into homelessness, public policy changes are needed to increase the supply of affordable housing, mitigate rent increases, and prevent unjust evictions. To increase exits into permanent housing, further investments are necessary to increase rental subsidies, as well as supportive services.

The number of years to achieve functional zero is based on the annual reduction in relation to the total homeless population. For example, if the Homeless Count is 66,000 and the reduction in the population is 6,600 each year, it would take 10 years to achieve functional zero.

Inflow/Outflow Model Timeline Projections

Base Population: Current Homeless Count	Annual Inflow	Baseline System Exits	Additional System Exits	Self-Resolved Exits (40% of annual inflow)	Following Year's Homeless Count	Years to Reach Functional Zero
X	A	B	C	D	Y	Z
66,000	40,000	21,000	5,000	16,000	64,000	32
66,000	60,000	21,000	5,000	24,000	76,000	never
66,000	40,000	21,000	10,000	16,000	59,000	8.4
66,000	60,000	21,000	10,000	24,000	71,000	never
66,000	40,000	21,000	15,000	16,000	54,000	4.5
66,000	50,000	21,000	15,000	20,000	60,000	10
66,000	60,000	21,000	15,000	24,000	66,000	never

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