

Homelessness Los Angeles, California

December 10–15, 2017



Homelessness Los Angeles, California

Recommendations for Local Action

December 10–15, 2017

About the Urban Land Institute

THE URBAN LAND INSTITUTE is a global, member-driven organization comprising more than 40,000 real estate and urban development professionals dedicated to advancing the Institute's mission of providing leadership in the responsible use of land and creating and sustaining thriving communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in 80 countries.

The extraordinary impact that ULI makes on land use decision making is based on its members sharing expertise on

a variety of factors affecting the built environment, including urbanization, demographic and population changes, new economic drivers, technology advancements, and environmental concerns.

Peer-to-peer learning is achieved through the knowledge shared by members at thousands of convenings each year that reinforce ULI's position as a global authority on land use and real estate. In 2017 alone, more than 1,900 events were held in 290 cities around the world.

Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

More information is available at uli.org. Follow ULI on Twitter, Facebook, LinkedIn, and Instagram.

Cover photo: Joey Zanotti/Flickr.

© 2018 by the Urban Land Institute
2001 L Street, NW
Suite 200
Washington, DC 20036-4948

All rights reserved. Reproduction or use of the whole or any part of the contents without written permission of the copyright holder is prohibited.

About ULI Advisory Services

THE GOAL OF THE ULI ADVISORY SERVICES program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 600 ULI-member teams to help local communities find creative, practical solutions for issues such as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfield redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's advisory services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the panel topic and are screened to ensure their objectivity. ULI's interdisciplinary panel teams provide a holistic look at development problems. A respected ULI member who has previous panel experience chairs each panel.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day composed of a tour of the site and meetings with key local representatives, a day of hour-long interviews of typically 50 to 100 key community representatives, and two days of formulating recommendations. Long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the local stakeholders. A written report is subsequently prepared and published.

A major strength of the program is ULI's unique ability to draw on the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services panel report is intended to provide objective advice that will promote the responsible use of land to enhance the environment.

ULI Program Staff

Thomas W. Eittler
Senior Vice President, Advisory Services

Beth Silverman
Senior Director, Advisory Services

Paul Angelone
Director, Advisory Services

Cali Slepín
Associate, Advisory Services

James A. Mulligan
Senior Editor/Manuscript Editor

David James Rose
Editor/Manager

Anne Morgan
Lead Graphic Designer

Deanna Pineda, Muse Advertising Design
Graphic Designer

Craig Chapman
Senior Director, Publishing Operations

Acknowledgments

THIS PANEL WAS MADE POSSIBLE by the funding support of the ULI Foundation, through a donation from Roy Hilton March, chief executive officer of Eastdil Secured.

The University of Southern California (USC) Lusk Center for Real Estate was the partnering sponsor of the panel.

The following ULI members and other Los Angeles leaders provided valuable insight into the panel's scope of work: Reverend Andrew Bales of the Union Rescue Mission, Clare De Briere of C+C Ventures, Suzanne Fitzmorris and Richard Green of the USC Lusk Center, Michael L. Matkins of Allen Matkins, Wayne Ratkovich of the Ratkovich Company, Stephen R. Silk of Eastdil Secured, and David Waite of Cox Castle & Nicholson.

Richard M. Gollis and Michael Reynolds of the Concord Group provided market analysis and research for the panel.

Gail Goldberg and Jonathan Nettler at ULI Los Angeles also provided guidance and support to the panel.

On behalf of the panel, ULI wishes to thank the more than 70 local elected officials, public agency staff, business leaders, housing and services providers for the homeless, and others who shared their views with the panel in interviews. Their efforts to address the homelessness crisis in Los Angeles were both informative and inspiring to the panel.

Contents

Panel and ULI Project Staff	6
The Panel's Assignment and Key Recommendations	7
Background on Homelessness in Los Angeles	10
Recommendations for Making Progress on Homelessness in Los Angeles	17
Conclusion	28
About the Panel	29
Notes	33

Panel and ULI Project Staff

Panel Co-Chairs

Rafael Cestero
President and Chief Executive Officer
Community Preservation Corporation
New York, New York

Leigh Ferguson
Director of Economic Development
New Orleans Downtown Development District
New Orleans, Louisiana

Panel Members

Douglas Apple
President/Chief Executive Officer
DNA Consulting
New York, New York

Antoinette D. Hayes-Triplett
Chief Executive Officer
Tampa Hillsborough Homeless Initiative
Tampa, Florida

Stanley A. Lowe
Chief Executive Officer
Pittsburgh Neighborhood Planning Services
Pittsburgh, Pennsylvania

Paola Moya
Chief Executive Officer and Principal
Marshall Moya Design
Washington, D.C.

Tom Murphy
Senior Resident Fellow and ULI Canizaro/Klingbeil Families
Chair for Urban Development
Urban Land Institute
Pittsburgh, Pennsylvania/Washington, D.C.

Philip S. Payne
Chief Executive Officer
Ginkgo Residential LLC
Charlotte, North Carolina

ULI Project Staff

Stockton Williams
Executive Vice President, Content
Executive Director, ULI Terwilliger Center for Housing

Lisa Sturtevant
Senior Visiting Fellow

Paul Angelone
Director, Advisory Services

Rosemarie Hepner
Director, ULI Terwilliger Center for Housing

Grace Hill
Senior Associate, Meetings and Events

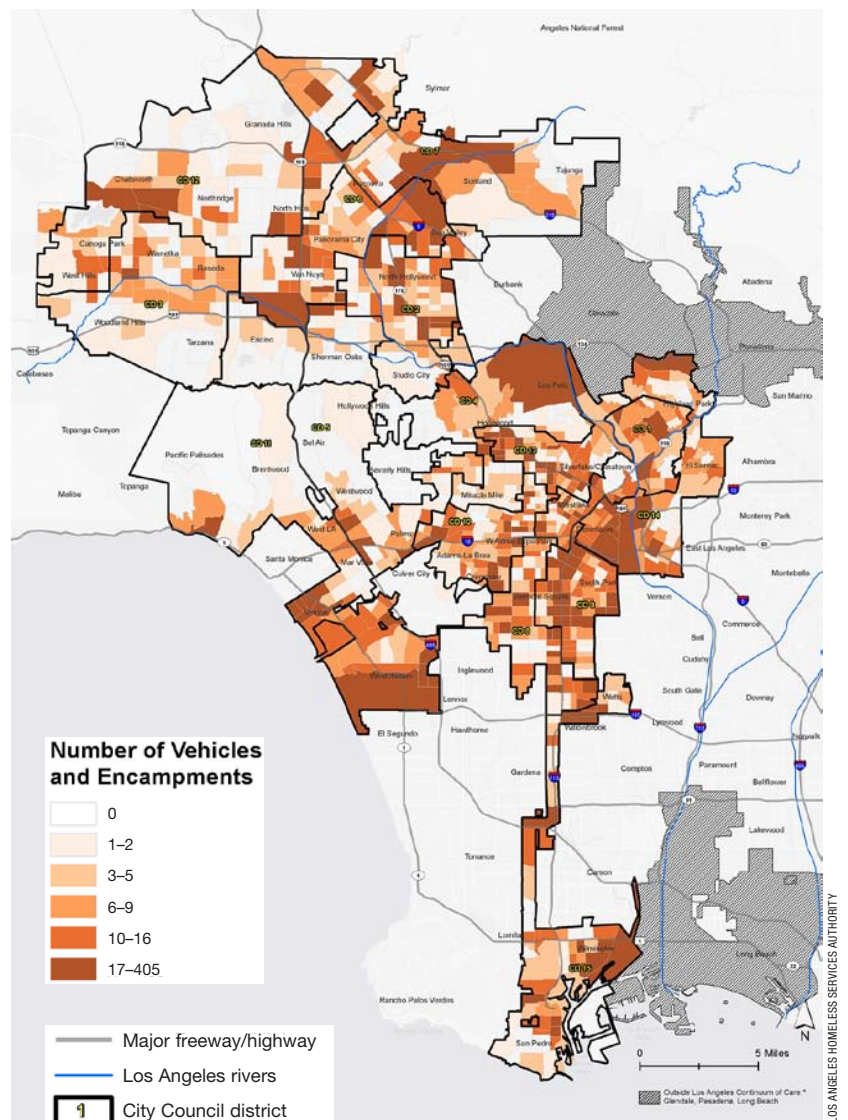
Cali Slepín
Associate, Advisory Services

The Panel's Assignment and Key Recommendations

ONE OF EVERY TEN HOMELESS individuals in the United States lives in Los Angeles County, and about 60 percent of those individuals are residents of the city of Los Angeles. Homelessness has surged almost everywhere in the region over the past several years. Today, roughly three in four of the nearly 58,000 homeless people in the Los Angeles region are unsheltered—living on the streets, in cars, in tents, and in other makeshift structures, often in clustered encampments.

Homelessness has increased in all five county supervisorial districts and in 12 of 15 City Council districts over the past few years. The crisis affects every part of the region and all kinds of neighborhoods: the Skirball wildfire that burned nearly 400 acres in October 2017 started as a cooking fire in a homeless encampment in Bel Air, one of the most affluent neighborhoods in the country, while the severe hepatitis A outbreak declared by Los Angeles County in September 2017, following a similar one in San Diego County days before, worsened due to conditions among those living on the street in some of Los Angeles's roughest areas.

At the suggestion of several ULI member leaders active in Los Angeles, and with the advice and guidance of the University of Southern California Lusk Center for Real Estate, the ULI Foundation sponsored a ULI Advisory Services panel to make recommendations for addressing the homelessness crisis in Los Angeles. ULI staff reached out to local officials in both the city and county of Los Angeles and local nonprofit organizations working on the issue to ensure that the ULI panel would be seen as adding to the many efforts already underway. These include planning for the deployment of a total of \$5 billion of voter-approved bond resources, including bond proceeds and a quarter-cent sales tax increase, dedicated to addressing homelessness over the next several years.



The Los Angeles homeless population is not concentrated solely in the downtown or Skid Row areas, but instead is prevalent in every council district.

The Panel's Assignment

The panel's assignment was to address several interrelated issues in the principal areas of ULI's mission of leadership in land use.

Under leadership, the panel addressed the following:

- How can the substantial financial and human resources dedicated to the homelessness challenge in Los Angeles be most effectively coordinated, leveraged, and deployed?
- Are there public/private organizational structures that could be created or enhanced to support the delivery of resources, based on successful Los Angeles efforts on other big issues in the past?
- In what areas can housing developers and neighborhood leaders find common ground to create new land use plans, allowing some of the necessary units to be built in locations where they typically have been blocked?
- How and where do the city and region begin to provide supportive housing and affordable housing at a large scale when communities object to their placement?

Under land use, the panel addressed the following:

- How should the city and county assess the optimal housing uses (e.g., shelters, supportive housing, permanent affordable housing), building types, development densities, and service-delivery models for meeting the specific homelessness needs of different neighborhoods? Of most immediate importance perhaps is the provision of shelters:
 - Should shelters be small and focused on distinct populations throughout the city?
 - Is it more expedient to find large existing buildings such as industrial structures where larger-scale shelters can serve multiple populations?

- Do opportunities exist to employ “out-of-the-box” solutions to deliver significant numbers of homeless housing units more quickly and at lower costs through more flexible zoning, creative use of existing structures, and dignified interim forms of shelter, among other techniques?

- What specific steps can be taken to ensure that homelessness does not become overly concentrated in specific neighborhoods?

The panel understood that this scope of work did not address all aspects of the causes of homelessness or solutions to it in Los Angeles. The scope was crafted to enable the panel to provide substantive recommendations in the time available and in the panelists' areas of expertise—at the same time bringing outside perspectives to issues on which so many Angelenos have been working for years.

The general geographic unit for the panel's analysis and recommendations is Los Angeles County (also referred to as the Los Angeles region), which includes 88 incorporated cities, including the city of Los Angeles.¹ The size of this vast study area—with a population greater than that of 41 states—is highly unusual for a ULI Advisory Services panel. The scope of the panel's work was necessary both because some primary drivers of homelessness, such as an insufficient supply of affordable housing, are regional in nature, and because the county government, working closely with the cities, has lead responsibility for delivering some of the most essential homeless services.

That said, the panel's recommendations focus largely on the city of Los Angeles, which is the largest city with by far the largest share of the homelessness in the region. The panel recognizes the continued importance of interjurisdictional cooperation and regional leadership for fully addressing the homelessness challenge across the entire Los Angeles region.

Key Recommendations

The panel's key recommendations, organized into three broad categories, are as follows:

Recommendation 1: House the Unhoused

- Use existing resources effectively.
- Establish 60 community housing solution centers—on a geographically balanced basis—within two years.
- Reclaim public spaces.
- Invest in scattered-site transitional housing.

Recommendation 2: Increase the Overall Housing Supply

- Streamline approvals and incentivize development.
- Encourage innovation in housing design and development.
- Build support for density.

Recommendation 3: Reimagine Leadership and Accountability

- Build the political will.
- Strengthen administration and reporting.
- Embrace a collective community responsibility.

Background on Homelessness in Los Angeles

THE SCOPE OF THE HOMELESSNESS CRISIS in Los Angeles is heartbreaking and hard to comprehend. The numbers tell part of the story.

Facts and Figures

As of January 2017, an estimated 57,794 people in Los Angeles County were experiencing homelessness—42,828 unsheltered and 14,966 sheltered. This reflected an increase of 23 percent in both the unsheltered and sheltered homeless populations from 2016. Of the county total, an estimated 17,531 were chronically homeless, an increase of 20 percent over 2016. Nearly 60 percent of all the region's homeless—34,189—were in the city of Los Angeles. Among those, 25,237 were unsheltered and 8,952 were sheltered. Roughly one in five of homeless individuals in Greater Los Angeles became homeless for the first time during 2017.²

Key Homelessness Terms

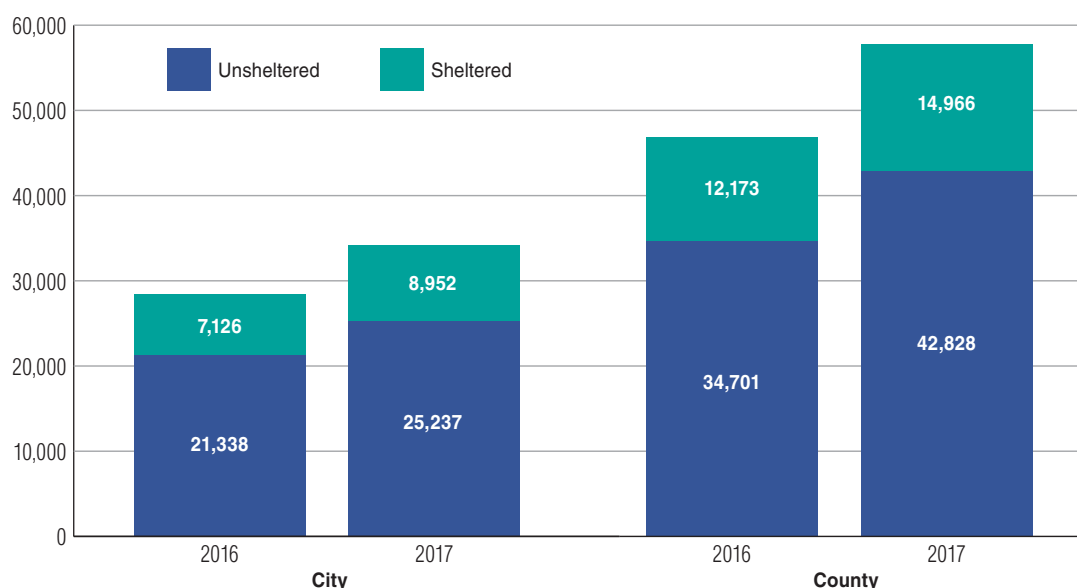
Sheltered homeless includes individuals living in a supervised publicly or privately operated shelter designed to provide temporary living arrangements (e.g., emergency shelters, transitional housing, safe havens, or a hotel or motel through use of an emergency voucher).

Unsheltered homeless includes individuals/families whose primary nighttime residence is a public/private place not designed for or ordinarily used as a regular sleeping accommodation for human beings.

Chronically homeless refers to individuals (or families headed by such individuals) who have been homeless for more than a year or who have had at least four episodes of homelessness in the previous three years.

Source: U.S. Department of Housing and Urban Development.

People Experiencing Homelessness in Los Angeles City and County



Source: Los Angeles Homeless Services Authority, Greater Los Angeles Homeless Count Results, 2017.

Characteristics of the City of Los Angeles's Homeless Population

Population	Sheltered	Unsheltered	Total	Percentage of homeless population
All persons	8,952	25,237	34,189	100.0%
Individuals (those not in family units)	5,090	24,434	29,524	86.0
Adults (over age 24)	4,512	22,216	26,728	78.0
Transition-age youth (ages 18–24)	578	2,218	2,796	8.0
Chronically homeless	480	10,137	10,617	31.0
Veterans	610	1,869	2,479	7.0
Unaccompanied minors (under age 18)	57	99	156	0.5
Family members (those in family units)	3,805	704	4,509	13.0
Adult family members (over 24, head of household)	3,529	691	4,220	12.0
Young family members (ages 18–24, head of household)	276	13	289	1.0
Children in families (under age 18)	2,283	390	2,673	8.0
Chronically homeless	3	133	136	0.4
Health and disability				
Substance use disorder	683	5,638	6,321	20.0
Brain injury	1,519	1,782	3,301	11.0
HIV/AIDS	224	673	897	3.0
Serious mental illness	815	9,479	10,294	33.0
Developmental disability	730	1,374	2,104	7.0
Physical disability	602	5,292	5,894	19.0

Source: Los Angeles Homeless Services Authority, May 2017.

While two-thirds of the Los Angeles region's homeless are men and most are single, reflecting a longstanding general pattern in cities, the face of homelessness has been changing in Los Angeles.

In the city of Los Angeles, about 2,800 homeless individuals are between the ages of 18 and 24 and are not part of families, and this population of the younger homeless increased by 50 percent from 2016 to 2017. About 13 percent of the city's homeless population are members of homeless families. Family homelessness increased somewhat faster than homelessness among individuals from 2016 to 2017—23 percent for families versus 19 percent for individuals. About a third of the city's homeless adults have a serious mental illness, 20 percent have a substance abuse disorder, and 19 percent have a physical disability.³

Within Los Angeles County—excluding primarily the cities of Glendale, Pasadena, and Long Beach—were an estimated 14,412 vehicles and encampments (groups of tents and makeshift shelters) occupied by homeless people, an increase of 26 percent in 2017 from a year earlier. While the Skid Row area of downtown Los Angeles has been characterized as the epicenter of concentrated street homelessness in the region, the problem is widespread and growing.

Between 2016 and 2017, the number of homeless individuals increased in all five of the county supervisorial districts, with increases ranging from 10 to 48 percent, and in 12 of the city's 15 council districts, with the biggest increases in District 1 (northeast and northwest of downtown) and District 8 (parts of South Los Angeles).⁴

Not only is homelessness getting worse in Los Angeles; the crisis in the region is also more critical than in other big cities in the United States.

The U.S. Department of Housing and Urban Development (HUD) reported that homelessness increased by less than 1 percent nationally in 2017,⁵ but the number of homeless people rose 20 percent in the city of Los Angeles and 23 percent in Los Angeles County.⁶ In fact, if the Los Angeles region were excluded from HUD's count, total homelessness nationwide would have fallen by about 1.5 percent from 2016 instead of rising 1 percent.⁷

Three-quarters of the Los Angeles homeless population is unsheltered homeless, compared with one-third of the national homeless population. (Only 5 percent of New York City's homeless population is unsheltered, reflecting the city's "right to shelter" policy ensuring that all homeless have access to a shelter.) Therefore, whereas homelessness remains a challenge in other large cities, the crisis in Los Angeles is in many ways without compare.

Causes of Homelessness

Homelessness is usually a result of a number of complex and interrelated factors that accumulate over time. Structural factors (for example, poverty and inadequate income, lack of access to housing and other support), systems failures (such as lack of support for people leaving the foster care or health care system), and individual and family factors (personal crises, mental health and other issues) all contribute to homelessness. For many families and individuals, it is not one factor but rather a set of multiple factors that leads to homelessness.

While the causes of homelessness are complex and multifaceted, many analysts have linked increasing homelessness in Los Angeles to the rising cost of housing, coupled with wage stagnation at the lower end of the income spectrum. These two trends have led to a housing affordability crisis in the region, which has pushed more and more people into homelessness.

Defining Affordability

Housing affordability is typically measured by comparing a household's income to its housing costs. When a household spends 30 percent or more of its income on housing, it is referred to as *cost burdened*. A household spending 50 percent or more of its income on housing is referred to as *severely cost burdened*.

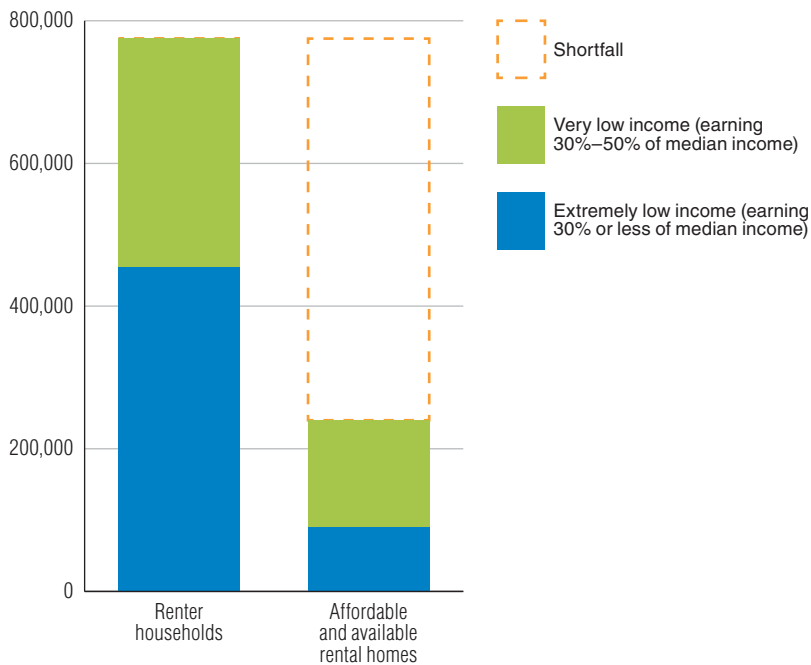
The statistics on housing costs in Los Angeles are staggering. As of November 2017, the median home value in the city was \$650,200, up 7.9 percent from the previous year and up more than 80 percent since 2012.⁸ The escalation of home values and prices has put homeownership out of reach for all but the highest-income Angelenos.

But even as homeownership becomes less attainable, the demand for housing in Los Angeles continues unabated. A strong regional economy has continued to attract workers and their families to the region. High home prices contribute to significant increases in the demand for *rental* housing, and low- and moderate-income households are increasingly competing with higher-income households to find rental housing they can afford.

The problem of housing affordability—particularly for lower-income households—is more challenging in Los Angeles than it is almost anywhere else in the country. In the city of Los Angeles, 61 percent of renters (more than 500,000 households) are cost burdened, and 33 percent of renters (nearly 280,000 households) are severely cost burdened.⁹ For comparison, nationally 51 percent of renter households are cost burdened and 26 percent are severely cost burdened.¹⁰

When low-income households spend a disproportionately high share of their income on housing, less money is left over for other necessities like food, health care, and transportation. Less spending on these other important expenses can have significant negative repercussions for individuals and families. A lack of stable and affordable housing has been shown to correlate with poor physical and mental health among adults and children, and with

Los Angeles County Housing Affordability Gap



Source: California Housing Partnership Corporation analysis of 2015 PUMS (Public Use Microdata Sample) data using adapted National Low Income Housing Coalition methodology.

lower educational outcomes among children.¹¹ Furthermore, severely cost-burdened households are at significant risk of frequent moving, displacement, eviction, and homelessness.¹²

Housing costs in the region have increased much faster than incomes, particularly among those living on low incomes to begin with. For example, between 2000 and 2014, median rent in Los Angeles County increased 28 percent while median renter household income fell 8 percent, when adjusted for inflation.¹³ It has become increasingly difficult for lower-income individuals and families to find housing they can afford.

A lack of sufficient new housing construction is at the heart of the affordability challenge and homelessness crisis in the Los Angeles region. According to the most recent Regional Housing Needs Assessment (RHNA), the six-county region comprising the Southern California Association of Governments needs to add more than 400,000

housing units between 2014 and 2021 to keep up with regional population and employment growth.

Historically, the Los Angeles region has not come close to meeting its RHNA projections. Housing construction in the Los Angeles region met only 41 percent of the estimated needs during the previous RHNA period, 2003 to 2014.¹⁴

The long history of insufficient housing development has led to serious housing deficits in the region. A recent report found that Los Angeles County currently needs more than 550,000 more rental units affordable to households with incomes between zero and 50 percent of the area median income (AMI) simply to close the county's existing affordable housing gap.¹⁵ This level of new housing would not begin to address the amount needed to accommodate future population and job growth in Los Angeles.

In 2014, formally recognizing the significant housing shortfall in Los Angeles, Mayor Eric Garcetti set a goal of permitting construction of 100,000 new residential units in

the city by 2021—an average of 12,500 new residential units per year.¹⁶ Some evidence exists that the city has been meeting this general goal in recent years: it issued permits for more than 13,800 new residential units annually from 2013 to 2016, and in 2017, the city's planning department reported that it approved permits for more than 19,000 units for that year. While not all permits result in completed units, the recent increases in new residential permits in the city are promising.

However, the new construction is highly skewed toward the luxury market, and the number of units available and affordable to low-income residents continues to decline. According to market research conducted by the Concord Group, an average of just 2,763 new housing units produced or converted from another use in Los Angeles County from 2010 to 2015 are affordable to households with incomes below 60 percent of AMI, and an average of 358 new units each year are affordable to extremely low-income households—those with an income below 30 percent of AMI.¹⁷

Clearly, the city and the region overall still have a long way to go to produce a sufficient amount of affordable housing to help ameliorate the housing affordability crisis and stem the swelling population of homeless individuals and families in the city.

It is beyond the scope of the panel's assignment to explore the reasons why Los Angeles, like other coastal California cities, suffers from a chronic undersupply of housing. A comprehensive study by the California Legislative Analyst's Office in 2015 identified the following factors as the most significant: community resistance to new housing, the state's environmental review process, local municipal finance structures that favor commercial over residential development, and a limited amount of vacant developable land.¹⁸

Local Responses

In the face of the growing human and economic tragedy of homelessness, the Greater Los Angeles community has recently stepped up in an unprecedented way to address the problem and attempt, ultimately, to end homelessness.

In November 2016, voters in the city of Los Angeles overwhelmingly approved Proposition HHH, which authorizes the city to issue \$1.2 billion in general obligation bonds to develop housing and facilities for the homeless, as well as affordable housing for those at risk of homelessness. The bond funds will be paid for with property taxes assessed at an estimated \$9.64 per year for every \$100,000 in property owned, or about \$33 per year for 29 years for the average homeowner in the city.

In March 2017, voters in Los Angeles County approved Measure H, establishing a quarter-cent sales tax hike that is expected to raise about \$355 million annually. The revenue will fund a variety of programs, including expanding rapid rehousing and permanent supportive housing, enhancing the county's emergency shelter system, and increasing homelessness prevention services for families, individuals, and young people.

The city of Los Angeles's Comprehensive Housing Strategy, adopted in 2016, provides guidance for deploying existing and new funds to fight homelessness in the city. The strategy includes dozens of policy and funding recommendations and creates a system for ongoing coordination among the city, county, nonprofit providers, and the Los Angeles Homeless Services Authority (LAHSA). It offers options for both bricks-and-mortar, project-based funds to help leverage non-city-sourced monies to build much-needed affordable housing, as well as for more flexible funding for outreach, services, and temporary housing vouchers.

Proposition HHH Projects Scheduled for Construction in 2018

Project	Location	Units	PSH units
Casa del Sol	10966 West Ratner Street	44	43
The Point on Vermont	76th Street and Vermont Avenue	50	25
Metro Villas III	Near 101 Freeway in Rampart Village	122	90
Flor 401 Lofts	Seventh and Wall streets	99	49
649 Lofts	Wall Street	55	27
SP7 Apartments	Seventh and San Pedro streets	100	55
The Rise Apartments	4050 South Figuero Street	57	56
88th & Vermont	88th Street and Vermont Avenue	62	46
Total		589	391

Source: *urbanize.la*, December 22, 2017, <https://urbanize.la/post/here-are-measure-hhh-projects-scheduled-construction-2018>.

PSH = permanent supportive housing.

Proposition HHH

One immediate obstacle to the effectiveness of Proposition HHH is time. With the slow speed of development in Los Angeles, it likely will be years before housing projects funded through Proposition HHH will be completed. Furthermore, under current law, generally before developers can even apply for this assistance, their projects must go through a series of complicated planning department reviews and often contentious community outreach meetings, as well as be scrutinized by two city government oversight committees—a process that can take well over a year.

Mayor Garcetti pledged to work toward streamlining the development approval and permitting process to speed up distribution of the funds. The city planning department proposed the Permanent Supportive Housing Ordinance designed to help move projects more quickly through the process, allowing developers to do several things “by right”—that is, without obtaining special approval from the city.

For example, projects proposed on land currently zoned for public facilities would be allowed to build affordable multifamily housing there by right if land nearby is zoned for that use. Conversion of residential hotels to supportive

housing would be allowed by right everywhere, without triggering the review process. By-right construction of housing would not be allowed in an industrial zone or a single-family residential zone.

Developers of by-right housing would also be free from maximum density requirements for their site, but would still be restricted by height limitations, setbacks, and rules on total buildable space. The ordinance would also exempt permanent supportive housing from the usual rule that one or more parking spaces must be created for each apartment built.

In December 2017, the first Proposition HHH-funded project broke ground in Los Angeles. This phase of PATH Metro Villas will provide 122 new housing units, a primary health care clinic, and a mental health clinic. The development is scheduled to open in 2019. Eight additional projects funded with Proposition HHH revenue and totaling nearly 600 affordable housing units (including nearly 400 units of supportive housing) were expected to break ground in January 2018.¹⁹

Measure H and Related Efforts

In June 2017, the Los Angeles County Board of Supervisors unanimously approved a spending package to deploy



PATH Metro Villas, the first development to break ground using Proposition HHH funds, will provide a community that addresses homelessness with program centers and permanent supportive housing.

more than \$1 billion in Measure H funds in local communities over the next three years.

The first project funded through that package is the conversion of a mostly vacant U.S. National Guard armory in Sylmar into a year-round transitional housing facility for 80 homeless women. The county is leasing the facility from the National Guard and making initial investments in the property, which it ultimately hopes to purchase.²⁰

In addition to this and other specific projects to be funded under Measure H in both the city and county, there has been unprecedented cooperation on and implementation of housing initiatives at all levels of government and by the private and the philanthropic sector. Since 2014, the county has had a comprehensive rental subsidy program to help fill gaps left by federal assistance and target support to homeless individuals. The new Centralized Assessment Service has been put in place to streamline intake of homeless people and expedite their placement in

housing. These steps are important to help make sure that quick action can be taken to deploy the unprecedented resources available.

Despite these early initiatives at both the city and county levels, there have been obstacles. In one example, a 49-unit permanent supportive housing development proposed in the Boyle Heights neighborhood, east of downtown Los Angeles, was blocked by a City Council committee and neighborhood opposition. The proposed site had been a staging area for the construction of the Metro Gold Line and currently stands unused. Some neighborhood residents and a number of homeless advocates supported the project. Opponents cited environmental concerns and an existing lively Latino community that would be a “source of disturbance” for homeless people starting a new life. José Huizar, a City Council member who supported Proposition HHH, voted against the proposed development in his community.²¹

Recommendations for Making Progress on Homelessness in Los Angeles

THE PANEL WAS DEEPLY IMPRESSED by the commitment and creativity being brought to bear on the homelessness crisis in Los Angeles by the many local officials, public agency staff members, service providers, housing developers, and local leadership groups it interviewed. Even as the crisis has become demonstrably more severe and widespread, it is indisputable that Angelenos are making tangible progress on the problem. The web of existing policies, programs, and resources is helping thousands of homeless and formerly homeless stabilize and improve their lives. The recently available funds from Proposition HHH and Measure H represent a substantial source of new investment that can drive further progress.

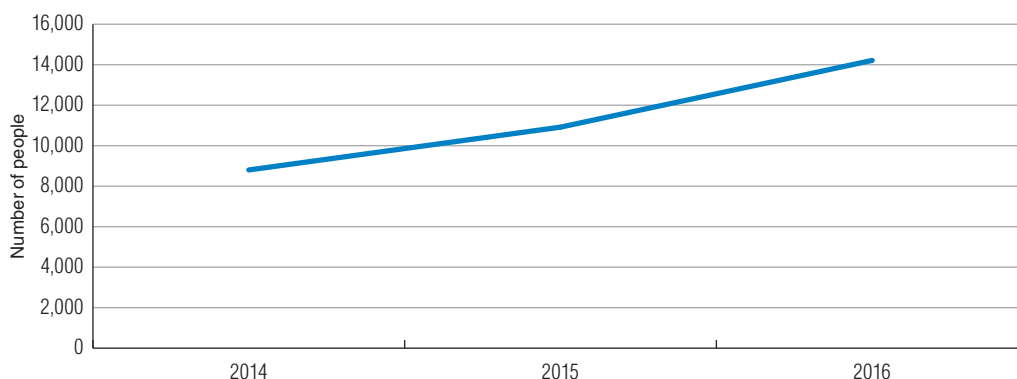
The panel sensed some frustration among many local leaders it interviewed regarding the apparent slow pace of change and, indeed, the worsening of the homeless problem by some metrics since the passage of Proposition HHH and Measure H. It may be the case that the necessarily somewhat bureaucratic and political processes required to deploy funds—combined with the challenges

to developing any type of new housing in most parts of Los Angeles, as already noted—are bound to slow the pace of progress.

That said, the panel urges Los Angeles leaders to commit to achieving a handful of audacious, measurable goals. The panel believes that in order to address a crisis of the scale and complexity faced by Los Angeles, goals should align with the magnitude of the problem and the level of community commitment to addressing it—even if it may seem to push the bounds of what seems achievable today. Bold goals, effectively communicated and with progress consistently measured, can also galvanize the resources and support for specific strategies. For this reason, the panel's recommendations begin with the goal of reducing the number of unsheltered homeless in the city by 50 percent by the end of 2018.

Based on its analysis of dozens of documents and interviews with more than 70 stakeholders working on housing and homelessness in Los Angeles, as well as panelists' own experience working on similar issues, the

Total Housing Placements in Los Angeles Continuum of Care, 2014–2016



The sheer number of unsheltered homeless individuals can sometimes cloud the progress that has been made. More than 14,000 individuals were placed in housing in 2016, a 30 percent increase from 2015.

Source: Los Angeles Homeless Services Authority.

Note: The Los Angeles Continuum of Care is Los Angeles County, excluding the cities of Glendale, Pasadena, and Long Beach.

Panel Recommendations

Recommendation 1: House the Unhoused

- Use existing resources effectively.
- Establish 60 community housing solution centers—on a geographically balanced basis—within two years.
- Reclaim public spaces.
- Invest in scattered-site transitional housing.

Recommendation 2: Increase the Overall Housing Supply

- Streamline approvals and incentivize development.
- Encourage innovation in housing design and development.
- Build support for density.

Recommendation 3: Reimagine Leadership and Accountability

- Build the political will.
- Strengthen administration and reporting.
- Embrace a collective community responsibility.

panel developed a series of recommendations. The recommendations build on current initiatives and successes, and are designed to have immediate and noticeable impacts on homelessness. In developing its recommendations, the panel considered the following:

- What tools can be adopted that build on the strength of the homelessness housing and service provider community in Los Angeles and the successful initiatives and strategies already underway?
- What initiatives could be undertaken quickly to take advantage of the momentum of support for addressing the homelessness crisis, and which can have an immediate impact on homeless individuals and families and the city's communities?

- What longer-term strategies can be adopted that set the regulatory and policy framework to address the underlying real estate trends that have led to the homelessness crisis in Los Angeles?
- Where have the recommended tools and strategies been used in other parts of the United States and the world, and what do those experiences suggest for Los Angeles?

The challenge of homelessness is incredibly complex, and the following recommendations do not, in any way, purport to address all the structural, systemic, individual, and family factors that lead to homelessness. Rather, they focus on the areas in which the panel members have expertise—namely, development and governance. The panel clearly recognizes the importance of working in a multifaceted manner to address all causes of homelessness, and these recommendations are intended to support Los Angeles's comprehensive approach.

House the Unhoused

Three-quarters of Los Angeles's homeless population is unhoused, and that population is growing faster than the overall homeless population. In the city of Los Angeles between 2013 and 2017, the unsheltered population increased by 69 percent while the overall homeless population increased by 49 percent.²² More than 22,000 of the city's 25,237 unsheltered homeless are adults over age 24, but 2,218 are between the ages of 18 and 24, and 99 are unaccompanied minors under age 18.

In addition, more than 4,500 homeless families in Los Angeles are unhoused, including nearly 2,700 children.²³ About half the unsheltered homeless population is chronically homeless, meaning they have been continuously homeless for a year or more or have had at least four episodes of homelessness in the past three years.

In Los Angeles County—excluding the cities of Glendale, Pasadena, and Long Beach—an estimated 14,412 vehicles and encampments (groups of tents and makeshift

Bed Use in Los Angeles Continuum of Care, 2017

	Available beds	Occupied beds	Unoccupied beds
Permanent supportive housing beds	23,176	21,506	1,670
Emergency shelter beds	16,623	13,972	2,651
Total	39,799	35,478	4,321

Source: U.S. Department of Housing and Urban Development 2017 Point-in-Time Count.

Note: The Los Angeles Continuum of Care is Los Angeles County, excluding the cities of Glendale, Pasadena, and Long Beach.

shelters) are occupied by homeless people, an increase of 26 percent from 2016.²⁴

Not only do the unsheltered constitute the largest share of the homeless, but also their living situations tend to be the most desperate and dangerous, for themselves and for the community. And while the human tragedy and community costs are what matter most, it is also true that the increasing number and seeming omnipresence of the unsheltered homeless population may undermine public confidence that change is happening and may breed cynicism regarding whether it is even possible.

In fact, while the consensus among homeless housing providers and researchers is that prioritizing long-term housing in a “housing first” model is an optimal strategy, temporary shelter options play a critical role in a broader approach to homelessness. As a recent review by the U.S. Interagency Council on Homelessness noted:

Permanent housing opportunities cannot always be immediately accessed, so it is important to be able to provide an immediate, interim housing opportunity (which could include shelter, bridge housing, or other temporary arrangements) without barriers to entry while permanent housing and appropriate supports are being secured.²⁵

So, while the panel firmly believes that more housing supply, including new permanent supportive housing, is essential—and is also addressed in the recommendations that follow—it believes the immediate priority should be a massive commitment to providing temporary shelter, with the goal of reducing the unsheltered population by

50 percent by the end of 2018. To that end, the panel recommends that Los Angeles pursue the following four-part approach.

Use Existing Resources Effectively

The city of Los Angeles should intensify efforts with its partners to connect homeless individuals and families with existing shelters and services in the city. Los Angeles has marshaled enormous resources to address the homelessness crisis and has put those resources to work providing additional shelter beds. The Coordinated Entry System (CES) for Single Adults, Youth, and Families, which coordinates supportive services and housing resources across Los Angeles County, is a strong administrative and coordinating process.

The quick run-up in the number of shelter beds has meant that more than 4,000 beds and units in permanent supportive housing were unoccupied as of January 2017. One recurring theme from the panel’s interviews was that so much change has happened so fast that it has been a challenge to manage that change to take full advantage of the opportunities it has created.

Bureaucratic bottlenecks are common when substantial new resources become available. Therefore, it is necessary to home in on opportunities with laser-like intensity, deploying existing resources to place homeless individuals in shelters, giving autonomy to frontline workers so they can do what they need to in order to connect homeless people with resources, and having accountability regarding use of existing resources start at the top.



TAMPA HILLSBOROUGH HOMELESS INITIATIVE



TAMPA HILLSBOROUGH HOMELESS INITIATIVE

This building, a community housing solution center in Tampa, houses 75 people—52 men and 23 women—and provides rapid rehousing assistance on site and other services.



REVEREND ANDY BALES/UNION RESCUE MISSION

Union Rescue Mission is using a parking lot next to its facility for a community housing solution center that will house 160 women.

Establish 60 Community Housing Solution Centers

The city of Los Angeles should establish 60 “community housing solution centers” across the city, locating them on a geographically balanced basis—four in each of the city’s 15 council districts. The establishment of these centers would be the principal strategy for reducing the unsheltered homeless population in the city in the near term. This should begin immediately with the goal of having all 60 facilities operational within two years.

The centers would be temporary emergency facilities. As piloted successfully by the Tampa Hillsborough Housing Initiative and incorporating concepts used effectively in other cities, the centers would provide intake, triage, emergency shelter, and case management. Community housing

solution centers would aim to place residents in permanent supportive housing within six months after they arrive at the center.

The panel proposes locating centers on land owned by the city, county, or nonprofits, using vacant or underused facilities wherever possible. One opportunity could be to convert vacant motels to temporary emergency shelters, taking advantage of the Motel Conversion Ordinance (discussed later in this report), approved recently by the Planning Commission and pending City Council approval. Other existing buildings could be quickly modified or rehabbed to provide emergency shelter and case management services. In addition, technology and design innovation could allow for the construction of temporary facilities (discussed later in this report) to accommodate the homeless.

The panel recognizes that siting and then building permanent shelters is complicated from the perspective of both land use and neighborhood opposition. The approval process can take 18 months or longer. No community ever indicates it is excited to welcome a homeless shelter, and community opposition to the centers is likely, as well. The use of existing structures for temporary shelters—some of which may already be affiliated with a mission-oriented purpose—may make it easier to deliver the facilities more quickly and to site them in locations throughout the city without a formal request-for-proposals process, a formal rezoning, or a development approval process.

In addition, the recommendation to locate the centers on a geographically balanced basis across the entire city

Cost Estimates for Community Housing Solution Centers

	Total	Per center
Capital (one-time)	\$27,600,000	\$460,000
Annual operating costs	\$32,250,000	\$537,500

Source: Panel estimates.

reflects the widespread nature of homelessness, as well as a tactic to signal the shared responsibility for addressing homelessness in Los Angeles (discussed later).

This recommendation also allows for the use of different options in different parts of the city. In one district, an old nursing home might be appropriate for a center; in another, it might be an old church. This flexibility means that while the approach is citywide, different models can work in different areas, making the siting process quicker and potentially making the presence of the temporary facility itself more acceptable to neighbors. As a first step, the Department of City Planning, in collaboration with representatives from each City Council district, could conduct an inventory of sites that meet established criteria for suitability.

Based on the experience at similar facilities developed in New Orleans, New York City, St. Louis, Tampa, and other cities, the panel estimates that a community housing solution center could be delivered for a one-time capital cost of \$460,000—or a total of \$27.6 million for 60 sites.

In addition to these upfront costs, it is estimated that each center would have an annual operating budget of \$537,500, or \$32.25 million for all 60 centers. This level of spending would cover the full range of intensive on-site services critical to making the centers effective and successful at supporting individuals and families as they move into permanent supportive housing.

Reclaim Public Spaces

While job one is ensuring that homeless individuals have safe and sanitary shelter, along with intense support and services to help them make the transition to more perma-

nent housing, it is also critical to ensure the health and well-being of the city's public spaces currently occupied by encampments. Not only is such a step necessary to deal with public health and safety issues, but it also will help show tangible progress and build public support for the next, necessary steps on addressing homelessness.

As individuals are placed in the community housing solution centers, the city should reclaim the streets and public spaces, block by block, parcel by parcel. This process should include coordination with faith-based organizations, social services providers, and city departments, including parks, sanitation, police, communication, and health.

In addition, it is essential that the city, in partnership with its service providers for the homeless, develop a communication and outreach plan that includes input from the homeless residents themselves. In many cases, removing people from an encampment means moving them out of the only home and social network they have known for months, and perhaps years. This cannot be seen as an effort to simply sweep the homeless under the rug with the sole goal of “prettifying” the neighborhood for the benefit of other, more “deserving” city residents.

As residents move from encampments to community housing solution centers, a detailed strategic and coordinated plan must be in place to ensure that people do not return to encampments and that public spaces remain safe and welcoming to the general public.

Invest in Scattered-Site Transitional Housing

The city of Los Angeles should invest in more permanent supportive housing (PSH), with a focus particularly on new, innovative, and cost-effective approaches for combining housing and services for formerly homeless individuals and families, as well as those at risk of homelessness. As noted, the community housing solution centers are intended to be temporary and, as such, to close on a phased basis as new PSH becomes available.

Developing new PSH takes a significant amount of time and resources. Funding from Proposition HHH and Measure H, substantially leveraged with private and

Los Angeles needs to streamline approvals to expand the affordable housing stock. To create Pico Housing, a 100 percent affordable housing development in Santa Monica, Moore Ruble Yudell Architects and Planners had to address differing densities, height limits, setbacks, step-backs, and parking requirements of the two zoning districts on the site.



JOHN LINDEN/MOORE RUBLE YUDELL ARCHITECTS AND PLANNERS

philanthropic dollars, will be essential. The Permanent Supportive Housing Ordinance (discussed later) approved recently by the Planning Commission should help accelerate development.

While PSH developments are in the planning and approval stages, the city should explore a transitional solution for families and individuals who are ready to move from community housing solution centers. One option would be to support LAHSA financially and administratively to partner with owners of small to medium-sized apartment complexes to convert existing units for use as PSH for a specified time period.

Following the model instituted in Tampa/Hillsborough County, the city could provide a lump-sum payment to property owners/landlords who agree to reserve units for formerly homeless people. LAHSA would serve as the gatekeeper, with each unit assigned to a specific service provider who would be responsible for connecting units to homeless individuals as well as helping secure housing vouchers for residents. The combination of the upfront,

lump-sum payment and the guaranteed rent through a housing voucher creates the incentive for property owners to participate.

The panel recommends that 500 scattered-site units be brought online each year for five years through this approach of providing incentives to owners of small to medium-sized properties. Assuming that the city pays property owners/landlords \$2,000 per unit per year, the panel estimates the total cost of bringing 500 such units online for five years at \$5 million. (For new construction, the same 500 units could cost nearly \$200 million to build in Los Angeles, according to what the panel heard in its interviews with local developers.)

As envisioned, the property owner/landlord would receive a lump-sum payment of \$10,000 per unit over the five-year period (\$500,000 for a 50-unit property), which would “buy” five years of committed scattered-site transitional units, as the necessary steps are taken to bring permanent supportive units on line.

Increase the Overall Housing Supply

Immediate action is needed to combat the serious challenge of unsheltered homelessness in the city. Provision of both emergency and longer-term housing options is critical for moving homeless individuals and families off the streets and helping improve health, well-being, and security. However, a broader need also exists for more generally affordable housing in the city—at all price and rent levels—to stem the housing affordability challenges that have built up as a result of the severe housing under-supply in Los Angeles.

Given the current imbalance between supply and demand, it is inevitable that housing costs and rents will continue to increase at an accelerated pace. The growing affordability challenge will put more and more Angelenos at risk of homelessness. While there is no silver bullet that will solve all the problems of housing affordability and homelessness, it is clear that one action exists that can have a significant impact: increasing as rapidly as possible the overall supply of housing—from single-family homes to

market-rate condominiums and apartments, to permanent supportive housing.

The panel agrees with and supports Mayor Garcetti's goal of granting permits for 100,000 new housing units and, as part of that total, building or preserving at least 15,000 units of affordable housing by 2021. While permits for new residential construction are up in the city, there is still a long way to go to meet unmet housing demand and to be prepared to accommodate future population and job growth. The panel sees significant opportunities for action in three areas: streamlining approvals and incentivizing development, encouraging innovation in housing design and development, and building support for density.

Streamline Approvals and Incentivize Development

As the cost of development increases, so, too, does the need for additional public resources to support development of below-market-rate housing. While land, labor, and other direct costs are key cost drivers, the extensive regulation and local development review and approval processes significantly hinder the financial feasibility of affordable housing projects.

A recurring theme in the panel's interviews was that the approval process for construction, renovation, or adaptive use of properties is simply too long and uncertain to encourage development of new housing. In fact, the city's development review and approval process was viewed as a *disincentive* to building because the delays and uncertainty increase the already high building costs in Los Angeles.

That said, the panel commends the city for its recent efforts on this front. Steps in the right direction include the Permanent Supportive Housing Ordinance, which would provide expedited reviews for developments that house the homeless and provide supportive services, and the Motel Conversion Ordinance, which would allow old motels to be converted into homeless housing without regard to current zoning requirements that may prevent it. The panel urges the City Council and the Planning Commission to

implement the ordinances, which are awaiting City Council approval after being endorsed by the commission.

The panel also encourages early experimentation in applying the ordinances' provisions more flexibly in certain circumstances. For example, developments should be considered for expedited review even if they are outside a half-mile radius of a transit stop, as the Permanent Supportive Housing Ordinance would require, if they are located in neighborhoods where there is walkable access to daily necessities or adequate on-site provision of them at the development. Similarly, the requirement that expedited developments reserve at least half their units for people with a physical, mental health, or a substance abuse problem could be waived if other options for those individuals are provided in the vicinity.

Finally, the panel urges all the cities in Los Angeles County to move as quickly as possible to implement the new laws passed in fall 2017 aimed at streamlining local approval of affordable housing developments, including Senate Bill 35, which puts more teeth in the requirements that every city meet its share of regional housing demand; Senate Bill 540, which is intended to accelerate approval and construction of affordable housing in locally designated zones; and Assembly Bill 1505, which enables local governments to use inclusionary zoning to require that multifamily developments provide affordable rental units.

Encourage Innovation in Housing Design and Development

One way to increase the impact of the Proposition HHH and Measure H funding and ensure that the evolving demand for housing is being met is to be open to new ideas and concepts on how to produce the most cost-effective types of housing. While demand will clearly continue to exist for traditional housing models, Los Angeles will miss out on opportunities if it does not actively encourage and incentivize new housing models.

One example is accessory dwelling units (ADUs). California recently passed legislation reducing regulations related to ADUs, making it easier for homeowners throughout the state to create accessory apartments in basements, in

garages, and as separate, standalone structures.²⁶ The California Legislative Analyst's Office noted the following about ADUs:

Accessory dwellings provide part of the solution to the housing crisis. They are the only source of housing that can be added within a year at an affordable price, in existing developed communities served by infrastructure . . . without public subsidy, and action by the State on a few issues will make this possible for tens of thousands of owners to immediately benefit and help their communities.²⁷

A report for the Turner Center for Housing Innovation at the University of California found that statewide the average cost of constructing an ADU is \$156,000. By comparison, the average cost per unit of affordable housing is \$332,000 statewide and \$372,000 in Los Angeles. In addition, ADUs can be built quickly: the vast majority of ADUs in the state are completed in 18 months or less.²⁸

According to the Turner Center, applications to create ADUs have increased dramatically as a result of the new law.²⁹ Of all the large California cities, Los Angeles has seen the most dramatic jump—a 25-fold increase in ADU permits to nearly 2,000 applications in 2017 from just 80 a year earlier.³⁰

Encouraging innovation also means pushing the envelope on housing design and materials. The Star Apartments,



The Star Apartments showcase one innovative design model for permanent supportive housing.

GABOR BEKES



KTGY ARCHITECTURE + PLANNING

The design of the Hope on Alvarado development by KTGY Architecture + Planning embraces the alternative construction material—repurposed shipping containers—carrying the texture and vertical lines into the tower element planned at South Alvarado Street and Valley Street.

designed by Michael Maltzan for the Skid Row Housing Trust and built with prefabricated blocks in a striking multi-unit structure, epitomizes this way of thinking.

Another powerful example of thinking outside the box (or thinking differently about the box entirely) is the Hope on Alvarado development in the Westlake neighborhood, designed by KTGY Architecture + Planning for the Aedis Real Estate Group. That development plans to use recycled metal shipping containers as the primary units for what will be a five-story building organized around a central courtyard.

While these kinds of developments are inspiring, they are exceptions. Two of Los Angeles's greatest assets—its creativity and openness to new ideas—have barely influenced the practices and processes of residential development. (This is true in the residential development industry as a whole nationwide, not just in Los Angeles). Significant economic rewards likely await innovators who can deliver lower-cost forms of shelter to those who need a place to call home. But local government and neighborhoods will need to adapt and adjust to enable innovation to deliver those results. Codes, regulations, and perhaps social norms need to evolve as real experimentation, with appropriate oversight and protections, is aggressively pursued to scale up new forms of housing production.

Build Support for Density

The ability to build sufficient housing to accommodate population and job growth—and to encourage construction of innovative new housing types—will often involve increasing the allowable density. The panel is well aware of the long history of opposition in many Los Angeles neighborhoods to denser development—opposition that is common in many regions of the country.

The issue therefore is not density itself, but rather planning for the right level of density in the right places in the city. While many myths surround density, when used appropriately and targeted strategically, density is an important tool in addressing housing affordability and homelessness. The panel recommends that the city establish higher-density zones that allow more production of housing while minimizing the impact on existing residential communities.

The panel sees opportunities to capitalize on what appear to be evolving attitudes about density when it is linked specifically to well-designed affordable housing near transit. A number of initiatives are in place to increase density along transportation corridors, which the panel believes can help build the case by demonstrating the benefits of intelligent density. As noted in a 2017 article in *Urban Land*:

With this shift to transit, Los Angeles and surrounding cities are addressing the need for taller, denser, walkable, and bikeable commercial and residential development along major boulevards and near transit lines to support the public investment in transportation infrastructure and to provide transit access for people. Taller and denser has already been happening in downtown, Hollywood, Koreatown, and other areas. . . . In more suburban areas, [transit-oriented developments] are bringing mixed uses and greater density.³¹

The Transit Oriented Communities Affordable Housing Incentive Program Guidelines, released by the Los Angeles Department of City Planning in September 2017, represent another smart policy. (The impetus for the program was Measure JJJ, approved by city of Los Angeles voters in November 2016.) By combining density bonuses, parking reductions, and expedited entitlements in return for

inclusion of some affordable units in larger mixed-use, transit-oriented developments, the policy attempts to get more developers to help produce desperately needed affordable units.

While it appears the program is attracting strong early interest, the panel encourages the city to closely monitor participation and its impact and to make necessary adjustments based on industry feedback and market conditions.

Reimagine Leadership and Accountability

The homelessness challenge facing Los Angeles is occurring in the midst of broader, macroeconomic changes that are affecting cities around the globe. Climate change, globalization, technology, demographics, the competition for talent, and the challenges of financing investments increasingly affect all cities and the health, employment, and future of their residents.

Trends in employment in Los Angeles vividly demonstrate the remarkable changes unfolding with increasing velocity. Over the past 25 years, the city of Los Angeles has lost almost half its manufacturing jobs, while job creation in health, education, and services has exploded. Unfortunately, the skills useful for manufacturing jobs are not often the same as those needed for the new jobs, a mismatch that has created hardships for many workers in Los Angeles.

The city's homeless population includes many people who, no doubt, find that the economic opportunities they once had there no longer exist. The macroeconomic changes responsible at least in part for the homelessness crisis in Los Angeles provide an opportunity for reimagining what leadership and accountability in the city should look like. The panel recommends three strategies to deal with these macro challenges: build the political will, strengthen administration and reporting, and embrace a collective community responsibility.

Build the Political Will

The vision of eliminating homelessness can only become reality through dynamic leadership and clear paths of

responsibility and authority. The structure of the city of Los Angeles government diffuses power, which provides more room for democracy but makes it more challenging to govern boldly and act quickly. In response to the homelessness crisis—and to take advantage of unprecedented public resources and support—the city should take steps to consolidate authority and streamline the governing process in order to allow decisions to be made in a more timely and bold manner.

Land use is at the heart of siting and developing new housing for homeless and formerly homeless people, as well as affordable and market-rate housing, more generally. In the city of Los Angeles, land use decisions are controlled by individual district council members. When the voters and the majority of the City Council supported the referendum to fund homelessness initiatives, it was clear that more shelters, more permanent supportive housing, and more affordable housing would need to be built to address the problem. However, the rubber really meets the road at the neighborhood level when individual projects come up for approval for rezoning or a special zoning exception. When specific projects are proposed, even council members who supported Proposition HHH have come out to oppose them.

The panel urges all council members to do their part in suggesting locations and then supporting the siting of both temporary and permanent housing in their own districts. Rather than an approach that tries to provide sufficient housing one development at a time, a highly visible and public strategy is needed that allocates beds and housing units to each council member's district to demonstrate the widespread nature of the homelessness problem and the shared responsibility of communities throughout the city.

It is clear that without all council members accepting this responsibility and using their authority boldly, the goals for addressing homelessness will not be reached. Council members need to stand together with a citywide strategy to respond to a citywide crisis.

Strengthen Administration and Reporting

It became clear through the panel's dozens of interviews that the delivery of housing and services in Los Angeles involves hundreds of organizations. Strong programs already in place had been providing effective outreach and services long before approval of Proposition HHH. With the massive infusion of funds from Proposition HHH and Measure H forthcoming, the challenge now is to scale up the efforts in an unprecedented way. To that end, the coordination of both development of different types of housing and delivery of services is essential.

The mayor, city and county officials, and the United Way have instituted a working group that regularly brings together housing and service providers. The panel recommends that the United Way continue as convener of this consortium. It suggests that weekly meetings be held to guide the work toward ending homelessness, that clear lines of authority and performance measures be established to assist with the production of housing for

The University of Southern California will play a pivotal role in the work on homelessness in Los Angeles through university initiatives, which include data collection.



GUS RUELAS AT USC



GUS RUELAS AT USC

the homeless, and that partnerships among nonprofit organizations, lenders, the mayor's office, and other elected officials be greatly enhanced.

In addition, the panel recommends that the county and city continue to collaborate on data collection and reporting through LAHSA and expand efforts, as resources allow, to get an ever more accurate and timely view of the changing picture of homelessness in Los Angeles. Efforts such as LAHSA's partnership with the University of Southern California, through which USC researchers and students have substantially augmented the reach and accuracy of the LAHSA surveys of the homeless, should be expanded.

Ultimately, an enhanced data collection system should be updated every six months to ensure the accuracy of information regarding services provided and the location of all homeless people. In addition to ensuring the collection of accurate and timely data, the process should verify that every homeless person is treated with dignity and respect. The data should be made available and regularly updated for public consumption.

Embrace a Collective Community Responsibility

The panel feels strongly that it is simply unacceptable for one of the most prosperous and productive places on earth to allow homelessness to become as widespread and apparently entrenched as it is in Los Angeles. Clearly, the often heroic and unheralded efforts of those directly involved in addressing the problem today are in and of themselves not enough. Essentially every neighborhood, every business, every local philanthropy, every resident of Los Angeles has a stake in solving the problem—and everyone must ask themselves how they can contribute.

Neighborhoods must ask themselves what they will do to welcome development of new housing (at various price

City of Los Angeles Sheltered and Unsheltered Homeless Population, by Council District

District	2016 total	2017 total	% change
1	1,986	2,958	49%
2	1,084	1,212	12
3	890	746	-16
4	628	783	25
5	913	1,160	27
6	1,856	2,047	10
7	1,206	1,198	-1
8	1,497	2,178	45
9	3,458	3,843	11
10	1,112	1,508	36
11	2,529	2,741	8
12	906	879	-3
13	3,036	3,282	8
14	5,590	7,386	32
15	1,773	2,268	28
Total	28,464	34,189	20%

Source: Los Angeles Homeless Services Authority.

points and rents) that helps ease overall affordability problems and accommodates an appropriate mix of services for the most needy. Businesses must ask themselves how their intellectual capital, products and services, and civic leadership will yield insights and solutions to homelessness. Local foundations must ask how they will collaborate on, match and exceed, and leverage public sector investments to help solve homelessness. And Los Angeles residents must ask themselves what personal contributions they will make to solving the problem, including supporting the new housing development needed.

Because the issue of homelessness in Los Angeles is not limited to any one neighborhood or district, the solution will only come if all the districts work together to address homelessness in Los Angeles as a whole.

Conclusion

ANYONE WHO SPENDS TIME trying to understand the scope and tragedy of the homelessness crisis in Los Angeles and what can be done about it can come away from the experience discouraged. Yet, as the efforts of the many Angelenos working every day to respond to the crisis remind us, failure to act is not an option. With the sustained civic commitment and boundless energy that are part of the Los Angeles DNA, there is legitimate reason to hope—and even expect—that the community will ultimately solve what is perhaps its greatest challenge ever.

About the Panel

Rafael Cestero

Panel Co-Chair

New York, New York

Cestero has been president and chief executive officer of Community Preservation Corporation (CPC) and its for-profit development subsidiary CPC Resources Inc. (CPCR) since 2012. He guided CPC through its transition as a company in the midst of restructuring to a fully capitalized, financially strong organization. Today, CPC is a leading nonprofit affordable housing and community revitalization finance company providing flexible capital solutions throughout New York state and the region.

Before joining CPC, Cestero was commissioner of the New York City Department of Housing Preservation and Development (HPD), the largest municipal affordable housing development and maintenance code enforcement agency in the nation. During his tenure, he helped implement and oversee Mayor Michael R. Bloomberg's New Housing Marketplace Plan, a multibillion-dollar initiative to finance the creation and preservation of 165,000 units of affordable housing. He also was responsible for spearheading the creation of HPD's Proactive Preservation Initiative, a \$750 million program to identify and stabilize distressed multifamily properties across New York City. Before taking the helm at HPD, Cestero was the agency's deputy commissioner of development.

Cestero also has been managing director at L+M Development Partners and director of New York programs at Enterprise Community Partners.

A native of Rochester, New York, he received his undergraduate degree in public policy analysis from Cornell University and a master's degree in urban planning from the University of Illinois at Urbana-Champaign.

Leigh Ferguson

Panel Co-Chair

New Orleans, Louisiana

Ferguson is a developer with more than 35 years of experience in real estate. He is an expert on downtown revitalization, affordable housing, mixed-use development, and partnerships with public and nonprofit entities. As the director of economic development for New Orleans, he is responsible for facilitating downtown real estate development and investment, helping the downtown community with issues affecting the business environment, advancing downtown planning, and attracting new business and development projects that will result in the expansion of employment, the tax base, and wealth creation in downtown New Orleans.

Previously, Ferguson was a senior developer at Bayer Properties, where he was involved with a variety of commercial, mixed-use, and residential products in several locations around the United States. His primary duties included operating the residential and mixed-use real estate development and management division that focused on urban mixed-use community development projects in Birmingham, Alabama's revitalizing center city.

Ferguson is a full member of ULI, having received ULI's Robert M. O'Donnell Award in 2007, and has served as vice chair of the Affordable Housing Council. He has served on 11 Advisory Services panels and chaired ten of those panels along with several other ULI forums and workshops. He has served on numerous civic and nonprofit advisory boards, including the Federal Home Loan Bank of Cincinnati and the Tennessee Housing Development Agency.

Douglas Apple

Brooklyn, New York

Apple is president/chief executive officer of DNA Consulting, serving the not-for-profit and government sector with real estate and project management services. From April 2012 to October 2017, he was executive vice president/ chief operating officer of Samaritan Daytop Village, based in Queens, New York, overseeing Samaritan's 50-plus programs focusing on housing, behavioral health, and human services.

Apple was the first deputy commissioner for the New York City Department of Housing Preservation and Development (HPD) from September 2009 to April 2012, overseeing agency administrative operations, residential code enforcement, asset/property management, the Section 8 program, and regulatory compliance. Before that, Apple for eight years was the general manager/ chief operating officer of the New York City Housing Authority, the largest public housing agency in the United States, serving more than 675,000 New Yorkers through its public housing and Section 8 programs.

In his 27-year city government career, Apple was deputy commissioner at the Department of Juvenile Justice, assistant director for public safety in the Office of Management and Budget, and deputy director of the Mayor's Office of Operations. He has a BA from Boston University and attended the Wagner School of Public Administration at New York University.

Antoinette D. Hayes-Triplett

Tampa, Florida

Hayes-Triplett has been chief executive officer of the Tampa Hillsborough Homeless Initiative since 2014. She is also the chair of the Tampa Hillsborough Continuum of Care (CoC), a collaboration of federal, state, and local government agencies, faith-based organizations, housing providers, nonprofit agencies, and businesses that develop strategies to reduce and prevent homelessness. Under her leadership, Tampa/Hillsborough County has experienced

a 48 percent decrease in unsheltered homelessness, a 35 percent decrease in chronic homelessness, and a 27 percent decrease in homelessness among veterans.

Hayes-Triplett developed the housing initiative Operation: Reveille, which has as its goal removing barriers, developing collaborations, and providing exceptional housing and services in order to ensure that a veteran will never sleep on the streets or in an emergency shelter. Operation: Reveille was adopted as a national model by Robert A. McDonald, former U.S. secretary of Veterans Affairs.

Previously, Hayes-Triplett was a city planning executive for St. Louis. Under her leadership, St. Louis reduced homelessness by 30 percent, increased permanent supportive housing by 2,700 percent, increased the budget by 115 percent, received \$130 million in competitive funds, and implemented over 30 new programs. She is a veteran of the U.S. Air Force and has a master's degree from Webster University.

Stanley A. Lowe

Pittsburgh, Pennsylvania

Lowe, has more than 29 years of experience providing technical assistance to public housing authorities, historic preservation organizations, government agencies, universities, and community-based organizations. He has proven expertise in community revitalization and economic development, real estate development, asset management, community planning, organizational restructuring, budget and financial management, and public housing management.

Lowe is the president and chief executive officer of Pittsburgh Neighborhood Preservation Services and is currently the managing director of the Richard Mellon Scaife Community Development Initiative Grant. He is the former executive director of the Housing Authority for Galveston, Texas, and the former managing partner in charge of Gulf Coast operations for Fourth River Development LLC. More recently, he has worked as a consultant for the Annie E. Casey Foundation in Baltimore.

Over the years, Lowe has held a number of positions, including vice president of the National Trust for Historic Preservation, president of the National Trust Community Development Financial Institution (CDFI), and a board member of the National Trust Community Investment Corporation. In Pittsburgh, he was assistant to Mayor Tom Murphy for neighborhood housing and policy planning, executive director of the Pittsburgh Housing Authority, vice president of the Pittsburgh History and Landmarks Foundation, and a board member of the Pennsylvania Bureau of Historic Preservation and the Pittsburgh Board of Code Review.

Paola Moya

Washington, D.C.

Moya is the founding chief executive officer of Moya Design Partners, a design consultancy where she manages the firm's executive responsibilities and is actively involved in the design, development, and execution of the company's projects. Moya cofounded Marshall Moya Design in 2010 and as chief executive officer orchestrated the firm's expansion into new architecture markets in the Washington, D.C., metropolitan area and beyond, including such projects as Howard Theatre, the Student Center at the University of the District of Columbia, the D.C. United soccer stadium, the Washington Wizards practice facility, and projects for MGM Resorts International.

Moya was named by the *Washington Business Journal* to the Power 100 Playmakers list for 2016, 40 under 40 for 2015, and Minority Business Leader of the Year for 2014. Her work has been recognized with international, national, and local design excellence awards from the American Institute of Architects, the National Organization of Minority Architects, Graphic Design USA, International Design Awards, and Built by Women.

Moya holds a master's degree in architecture with a real estate development concentration and a bachelor of science degree in architecture from the Catholic University of

America. She also holds a finance certification from the Wharton School of the University of Pennsylvania's Executive Education program.

Tom Murphy

Pittsburgh, Pennsylvania/Washington, D.C.

Murphy is a senior resident fellow at ULI and the ULI Canizaro/Klingbeil Families Chair for Urban Development. A former mayor of Pittsburgh, Murphy has extensive experience in urban revitalization—what drives investment and what ensures long-lasting commitment.

Murphy served three terms as Pittsburgh mayor, from January 1994 through December 2005, during which he initiated a public/private partnership strategy that leveraged more than \$4.5 billion in economic development in the city. He led efforts to secure and oversee \$1 billion in funding for the development of two professional sports facilities, and a new convention center that is the largest certified green building in the United States. He developed strategic partnerships to transform more than 1,000 acres of blighted, abandoned industrial properties into new commercial, residential, retail, and public uses, and he oversaw the development of more than 25 miles of new riverfront trails and urban green space.

From 1979 through 1993, Murphy served eight terms in the Pennsylvania House of Representatives. He served in the Peace Corps in Paraguay from 1970 through 1972. He is a 1993 graduate of the New Mayors Program offered by Harvard University's Kennedy School of Government. He holds an MS in urban studies from Hunter College and a BS in biology and chemistry from John Carroll University. He is an honorary member of the American Society of Landscape Architects, a board member of the Pennsylvania League of Cities and Municipalities, and a board member of the National Rails to Trails Conservancy.

Philip S. Payne

Charlotte, North Carolina

For over 25 years, Payne has focused primarily on the development, acquisition, rehabilitation, and management of middle-market (workforce) multifamily housing. He is chief executive officer of Ginkgo Residential, which was formed in July 2010. Ginkgo provides property management services for multifamily properties in the U.S. Southeast and is actively involved in the acquisition and substantial rehabilitation of middle-market multifamily properties. He is a principal in Ginkgo Investment Company, formed in July 2013, which invests in multifamily properties in the Southeast. From 2007 to 2010, Payne was chief executive officer of Babcock & Brown Residential, and before that was chairman of BNP Residential Properties Trust.

Payne is a member of the board of directors and chairman of the audit committee of Ashford Hospitality Trust, a New York Stock Exchange–listed real estate investment trust focused on the hospitality industry. He is a ULI trustee and governor and is a member of ULI’s Responsible Property Investing Council (founding chairman); a former co-chairman of ULI’s Climate, Land Use, and Energy Committee; and a former member of the advisory board for ULI’s Center for Sustainability. He is a member of the National Multifamily Housing Council.

Payne received BS and JD degrees from the College of William and Mary. He has written for various publications and spoken at numerous conferences on a variety of topics, including real estate investment trusts, securities regulations, finance, workforce housing, responsible property investing, sustainability, and resilience.

Notes

- 1 In general in this report, *Los Angeles* and *the region* refer to the geographic area of Los Angeles County, inclusive of the city of Los Angeles. Data citations from or recommended actions by a specific unit of government specify “city of Los Angeles” or “Los Angeles County.”
- 2 Los Angeles Homeless Services Authority (LAHSA), “2017 Greater Los Angeles Homeless Data Count Results,” 2017, 2017-greater-los-angeles-homeless-count-data-summary-city-of-los-angeles.pdf.
- 3 Ibid.
- 4 Ibid.
- 5 Meghan Henry, Rian Watt, Lily Rosenthal, and Azim Shivji, “The 2017 Annual Homeless Assessment Report (AHAR) to Congress” (Washington, DC: U.S. Department of Housing and Urban Development, December 2017).
- 6 LAHSA, “2017 Greater Los Angeles Homeless Data.”
- 7 Meghan Henry, et al.
- 8 Los Angeles Home Prices & Values, accessed January 5, 2018, via Zillow, <https://www.zillow.com/los-angeles-ca/home-values>.
- 9 U.S. Census Bureau, “2016 American Community Survey,” accessed via American Fact Finder, January 21, 2017.
- 10 Ibid.
- 11 See, for example, Maya Brennan, Lisa Sturtevant, and Patrick Reed, “The Impacts of Affordable Housing on Education” (Washington, DC: National Housing Conference, 2014); and Janet Viveiros, Mindy Ault, and Nabihah Maqbool, “The Impacts of Affordable Housing on Health: A Research Summary” (Washington, DC: National Housing Conference, 2015).
- 12 Joint Center for Housing Studies of Harvard University, State of the Nation’s Housing, 2016 (Cambridge, MA: Joint Center for Housing Studies of Harvard University, 2016).
- 13 California Housing Partnership Corporation, “Confronting Los Angeles County’s Rent and Poverty Crisis: A Call for Reinvestment in Affordable Homes,” May 2016, <https://chpc.net/wp-content/uploads/2016/05/Los-Angeles-County.pdf>.
- 14 California Department of Housing and Community Development, “California’s Housing Future: Challenges and Opportunities, Public Draft—Statewide Housing Assessment 2025,” 2017.
- 15 California Housing Partnership Corporation, “Los Angeles County Renters in Crisis: A Call for Action,” 2017, <http://1p08d91kd0c03rlxhmtydpr.wpengine.netdna-cdn.com/wp-content/uploads/2017/05/Los-Angeles-County-2017.pdf>.
- 16 “Mayor Garcetti’s Executive Directive 13: Support for Affordable Housing,” 2017.
- 17 The Concord Group, “Macro Market and Housing Trends in Los Angeles County,” December 6, 2017 (provided to panel only).
- 18 California Legislative Analyst’s Office, *California’s High Housing Costs: Causes and Consequences*, March 17, 2015.
- 19 Office of the Mayor of Los Angeles, “Mayor Garcetti breaks ground on first housing development funded by Proposition HHH,” <https://www.lamayor.org/mayor-garcetti-breaks-ground-first-housing-development-funded-proposition-hhh>, December 20, 2017. Details on proposed projects are available at Urbanize LA, “Here are the Measure HHH Projects Scheduled for Construction in 2018,” December 22, 2017, <https://urbanize.la/post/here-are-measure-hhh-projects-scheduled-construction-2018>.
- 20 Susan Abram, “‘We must act now’: LA County leaders move fast on homeless projects as new sales tax funds kick in,” *Los Angeles Daily News*, October 6, 2017.
- 21 Adam Nagourney, “For Homeless Advocates, a Discouraging Lesson in Los Angeles: Money Is Not Enough,” *New York Times*, September 29, 2017.
- 22 LAHSA, “2017 Greater Los Angeles Homeless Data.”
- 23 Ibid.
- 24 Ibid.

25 U.S. Interagency Council on Homelessness, “Ending Homelessness for People Living in Encampments: Advancing the Dialogue,” August 2015.

26 Specifically, the adoption of S.B. 1069 and A.B. 2299 in 2016, as well as follow-up legislation in 2017 (S.B. 229 and A.B. 494).

27 Rebecca Rabovsky, “Bill Analysis: SB 1069,” California State Assembly, Committee on Housing and Community Development Committee, August 1, 2016.

28 Karen Chapple, Jake Wegmann, Farzad Mashmood, and Rebecca Coleman, “Jumpstarting the Market for Accessory Dwelling Units: Lessons Learned from Portland, Seattle, and Vancouver,” 2017, http://ternercenter.berkeley.edu/uploads/ADU_report_4.18.pdf.

29 David Garcia, “ADU Update: Early Lessons and Impacts of California’s State and Local Policy Changes,” December 21, 2017, <https://ternercenter.berkeley.edu/blog/adu-update-early-lessons-and-impacts-of-californias-state-and-local-policy>.

30 Ibid.

31 Kathleen McCormick, “Remaking Greater Los Angeles as a Transit-Oriented Region,” *Urban Land* online, September 11, 2017, <https://urbanland.uli.org/development-business/remaking-greater-los-angeles-transit-oriented-region>.

A ULI Advisory Services Panel Report



2001 L Street, NW
Suite 200
Washington, DC 20036-4948

♻️ Printed on recycled paper.