

TESTIMONY OF

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BEFORE THE

SUBCOMMITTEE ON HOUSING AND INSURANCE
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES

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Members of the subcommittee, good afternoon. I am Peter Lynn, Executive Director of the Los Angeles Homeless Services Authority (LAHSA). Thank you for the opportunity to offer testimony on the homelessness crisis currently unfolding in many of our cities, towns, and rural communities.

LAHSA is a joint powers authority of the City and County of Los Angeles, administering federal, state and local homeless assistance programs, including prevention, outreach, shelter, and permanent housing programs through short-term and long-term rental assistance for youth, families and single adults experiencing homelessness. We also coordinate other homeless assistance with our partners, public and private, through LA's Coordinated Entry System. Our jurisdiction covers densely urban areas like the City of Los Angeles, suburban communities like those in the San Gabriel Valley, and rural communities in the Antelope Valley.

Los Angeles faces one of America's most serious homelessness crises. Last year, Los Angeles County found almost 58,000 people homeless on any given night, a rise of 23% - 11,000 people - over 2016. This despite the fact that we had housed more than 14,000 people out of homelessness in 2016, a 30% improvement on our housing numbers from the year before, and 61% increase from two years prior. Even as we improve our ability to house people, we have not been able keep pace with inflow.

The great majority of homeless people in LA are unsheltered, living in vehicles, tents and makeshift dwellings. Proliferation of visible encampments are a source of community friction, but have also generated tremendous compassion and willingness of Angelenos to

vote new resources into place. LA County residents voted to tax themselves – twice – last year to house the homeless: Measure H, a ¼ cent sales tax that will generate more than \$355 million in services funding annually, and the City of LA added Proposition HHH, a bond measure for capital to construct thousands of desperately needed permanent supportive housing units.

Homelessness in LA did not arise overnight or over a few years, but is a result of many policy choices we have made, both federally and at the local level. Homelessness is a complex challenge, requiring many collaborative approaches to addressing the needs of homeless people, but first, and foremost, homelessness is a crisis of housing affordability.

LA has one of the nation’s least affordable rental markets, according to the Harvard Joint Center on Housing Studies State of the Nation’s Housing study in 2017, which found we have more than 700,000 severely rent-burdened households. Among them are more than 300,000 households making less than \$20,000 that spend more than half their household income on rent. At that level of economic insecurity, one financial challenge - a car accident, an unexpected medical bill, or a few lost hours at work – can be enough to push a family into homelessness. With an overall rental market vacancy rate less than 4% in Los Angeles County, these households are hard-pressed to find affordable replacement housing.

Incomes are not keeping pace with rents. California Housing Partnership found that while inflation adjusted median rents had risen over 32% between 2000 and 2015, median renter incomes had actually fallen 3%. Over this period, funding for affordable housing construction and preservation has declined. Between 2009 and 2016, federal funding for affordable housing in Los Angeles County declined by 35%, while state funding sources, such as California’s redevelopment agencies, were eliminated. Both the state and local jurisdictions have worked over the past three years to establish new sources of affordable housing funding, including the City of Los Angeles’ new affordable housing linkage fee and the State of California’s Affordable Housing and Sustainable Communities program, but we have not bridged the gap, or made up for lost development.

When we survey newly homeless people, economic factors emerge as the leading driver: 53% reported that economic factors were the main driver of their entry into homelessness. 20% reported a disabling health condition as the main factor. Those that report economic conditions cite evictions, rising rents, unemployment, and foreclosures as the primary cause.

Beyond the immediate crisis of rising rents and the failure of affordable housing programs to keep pace, we must grapple with historical inequities, both regionally and nationally.

At a regional level, California was disadvantaged by historical funding formulas for key federal housing programs. The Community Development Block Grant program, for example, created a funding formula that privileged areas with older housing stock, leading to California and Western states receiving proportionally less funding than states in the East and Midwest.

Nationally, our decades-long history of overincarceration and under-funding of ex-offender re-entry services has left hundreds of thousands of Americans with significant barriers as they seek to restore themselves to a productive life. Federal and local policymakers have played a role in erecting these barriers.

According to 2017 Homeless Count data from Los Angeles, 63% of unsheltered adults have at some point been involved in the criminal justice system. Formerly incarcerated people struggle to re-enter the job market, and to access housing, either market rate or that is subsidized by federal and local sources of funding. They often face homelessness because of these challenges.

Our history of mass incarceration also helps explain the severe disproportionate racial demographics of people who are homeless, both locally and nationally. Law enforcement is not demographically neutral. In Los Angeles, African-Americans make up 8% of the general population, and 30% of our county jail population. Last year, 40% of those experiencing homelessness in Los Angeles County were Black or African American; five times the representation in LA's general population. This is a legacy we need to address directly and vigorously.

The question that faces Los Angeles, and the rest of the country, is how to move forward, how to ensure homelessness is rare, brief, and non-recurring.

We must provide robust funding for affordable housing, at the workforce level and for those of very low income, and for people experiencing homelessness. The most recent omnibus passed by Congress was a strong step in that direction, as were the recent changes to allow income averaging in Low Income Housing Tax Credit (LIHTC) developments.

We need to focus our homeless resources on effective programs, programs that work, using the best available data to make decisions. This is one of the reasons we believe the US Interagency Council on Homelessness (USICH) plays a critical role nationally. We need to learn from best practices around the country and ensure that communities nationally have access to the best information about what is working. USICH is uniquely positioned to aggregate and share that information. USICH also plays a key role in coordination for our federal partners, who, despite their best intentions, have not always proved the best at

coordinating themselves without the USICH. For these reasons, we strongly support H.R.5393.

We also believe that continuing to lower barriers to housing for people experiencing homelessness is of paramount importance. Reducing the standards for criminal background checks in federally subsidized housing would assist in this effort, as would support for communities in re-entry programming. In addition to helping directly to house people experiencing homelessness, it would make our communities safer by reducing the likelihood that formerly incarcerated homeless people recidivate.

Additionally, we must recognize the crisis of affordability we now face and avoid policies that tend to exacerbate that challenge. As such, we view elements of the Making Affordable Housing Work Act (MAHWA) with great concern and believe it could lead to more entries into homelessness and more economic strain on the families and households that can least afford it.

We urge the sub-committee to study the potential benefits from successful federal collaborations. The HUD-VASH program, which pairs HUD rental subsidies with VA case management services, has produced immense benefits and highlights the positive impacts that can be achieved by inter-agency collaboration. We ask that you consider similar collaborations, such as pairing workforce development funding from the Department of Labor with Rapid Re-Housing programming at HUD, or pairing efforts from the Health and Human Services Administration with supportive housing programs, or connecting Department of Justice Re-entry funding with HUD housing programs. We believe each of these could yield tremendous benefits, both directly and by facilitating the innovation and cross-sector collaboration that is critical to addressing homelessness.

Finally, I would like to extend to the subcommittee our invitation to visit Los Angeles, should the subcommittee seek field hearings around the country. The Los Angeles community would welcome the opportunity to share our experience, lessons learned, and challenges.

I appreciate the opportunity to offer testimony and thank you for your leadership and attention to this critical issue.