



TESTIMONY OF
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BEFORE THE
HOUSE FINANCIAL SERVICES COMMITTEE

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Good morning, Chairwoman Waters, and esteemed members of the House Financial Services Committee. My name is Peter Lynn, and I am the Executive Director of the Los Angeles Homeless Services Authority. I am deeply grateful for the opportunity to address you today on the issue of homelessness, and especially appreciative to be able to do so here in Los Angeles. In the communities surrounding Exposition Park, where we sit today, we can see firsthand both the significant challenges that lie ahead of us as we seek to stabilize thousands of our neighbors, but also the monumental progress that we are making in this effort.

The Los Angeles Homeless Services Authority (LAHSA) is the lead administrative agency in the Los Angeles Continuum of Care, the country's largest Continuum of Care (CoC), which encompasses 85 cities, over nine million residents, and over two thousand census tracts. The agency administers services and programs funded by the federal Continuum of Care program, along with programs funded by the City and County of Los Angeles and the State of California. Taken together, LAHSA administers over \$300 million in annual funding. In addition, LAHSA oversees the annual point-in-time count (PIT, or homeless count), has a staff of nearly two hundred outreach workers that are making contact with our houseless neighbors on a daily basis in every corner of the county, and provides policy design and implementation of the Coordinated Entry System.

We continue to face a moment of crisis here in Los Angeles. According to the 2019 Greater Los Angeles Homeless, there are 58,936 people experiencing homelessness on any given night in Los Angeles County, a 12% increase from the 2018 PIT count. The PIT count is static number from three nights in January, but we know that homelessness is dynamic and ever-changing. We counted nearly 59,000 people, but our data indicates that about double that number, over 100,000 people, fell into homelessness at some point over the course of 2018.ⁱ

As a community, Los Angeles has become far more effective at moving people out of homelessness and into housing. In 2018, the homeless system in Los Angeles County moved 21,631 people out of homelessness and into permanent housing. This is a 124% increase in the number of housing placements from just four years prior in 2014, when there were 9,658 people placed in permanent housing—we've more than doubled our capacity to house people. This progress is thanks to a combination of federal, local, and state resources, working in unprecedented coordination with each other and deployed by a growing network of dedicated community-based organizations.

But while the system has become far more effective and efficient at moving people out of homelessness and into housing, the forces driving people into homelessness continue to persist and overwhelm the available resources. At the core of these forces is housing affordability. Over 555,000 Los Angeles County households are paying more than half of their income on rent, accounting for about 17% of all Los Angeles County households. Two-thirds of those severely cost-burdened households, or 362,000 households, are extremely low-income (ELI) or below.ⁱⁱ For a family of three, "ELI" would mean they earn less than \$28,000 in income annually.ⁱⁱⁱ

All told, those 362,000 households are equivalent to upwards of one million Los Angeles County residents making less than \$28,000 annually and paying more than half of their income on rent. Those families are one disruption away from losing their housing—it could be an unexpected medical emergency, a car breaking down and causing a member of the household to miss work, or a landlord simply deciding to raise the rent beyond the family's breaking point. This staggering number of people living on the edge leads the California Housing Partnership to estimate that Los Angeles County needs an additional 517,000 housing units that are affordable to low-income households.^{iv}

Similar dynamics are pushing the numbers of people experiencing homelessness up through the State of California. Across California's 43 continuums of care, the average increase in this year's homeless count was 24%.

Angelenos continue to be alarmed by homelessness and the plight of their neighbors that are in crisis. Residents of the City of Los Angeles voted in 2016 to tax themselves with Proposition HHH, a \$1.2 billion bond measure to create thousands of units of supportive housing. Only months later, in March 2017, County residents voted to create a 0.25% sales tax, Measure H, to fund hundreds of millions in homeless services annually.

Yet despite these increased resources, our neighbors who are unhoused continue to spend too long waiting for housing, faced with the painful reality of too few housing resources to serve those that need them. Even as we build new supportive housing and

interim housing, the number of tents and makeshift shelters on the sidewalks continues to grow, as does the numbers of families living in their cars. While we have greatly increased the number of people housed out of homelessness, thousands more are becoming homeless or await a housing resource. And while the Los Angeles homeless count increase was lower than most of our neighboring continuums across the state, we still have by far the largest number of people in crisis statewide.

It is clear that we must do more at all levels of government, from our smallest cities in the county, all the way up to the federal level. But along the way, we would like to implore people to remember three critical points. First, since the beginning of 2017, when Angelenos voted to tax themselves, the service providers who comprise our system have housed nearly 40,000 people in Los Angeles County. That is 40,000 people who have found a place to call home where they can heal and build community. Despite all the challenges of our housing market, we have accelerated our ability to house people who are homeless.

Second, this is a crisis of housing affordability at its root, and until we take action to both stabilize people in their homes while increasing the housing stock that's affordable to low-income people, both subsidized and unsubsidized, homelessness will continue. Since 2000, wages have remained relatively flat, while housing costs have risen 32%. A minimum wage employee in Los Angeles County would have to work approximately 80 hours to afford a modest apartment. We cannot address homelessness without taking serious steps on the affordability challenges facing Angelenos.

Third, decades of racial discrimination in housing policy, employment, criminal justice enforcement, and just about every facet of our culture have led to a tremendously disproportionate overrepresentation of Black and African American people experiencing homelessness. There are a number of causes that drove this crisis at the local, state, and federal levels, and help explain why it has unfolded so acutely here in Los Angeles. For the purposes of this testimony, however, I will focus on three in particular. These are: 1) Decades of racist housing policy and redlining, both federally and locally, along with racist practices in real estate that have limited housing options and wealth-building opportunities for large portions of Los Angeles' population; 2) Declining federal investment in the housing programs that provide affordability and could help mitigate the impacts of racist housing policy, along with inequitable methodologies for the original and subsequent distribution of that funding; and 3) A criminal justice system which continues to overpolice and overincarcerate Black and Brown communities, leading to the self-reinforcing cycle of homelessness and criminal justice system involvement.

We must confront the legacy of racism in our housing markets and the ways in which federal policy has reinforced racism. This has manifested itself in a number of damaging ways. A history of segregation and redlining has severely curtailed the homeownership opportunities available to people of color, eliminating the possibility of the intergenerational transfer of wealth that Americans have traditionally used as an engine of upward mobility. This segregation was not caused by government policy alone, but U.S. Department of Housing and Urban Development (HUD) and Federal Housing Administration (FHA) policies entrenched and enforced this segregation. By allowing mostly white Americans to benefit from subsidized mortgages while allowing lenders to “redline” communities of color,^v radically different rates of homeownership, divergent home values, and overall wealth building have emerged along racial lines. This inequity in wealth-building has also left communities of color and especially the Black and African American community more vulnerable to homelessness, as people who are renters have fewer resources to fall back on in times of emergency. This is one of the factors leading to an overrepresentation of Black and African American people experiencing homelessness: in 2019, 33% of Los Angeles County’s homeless population was Black or African American, compared to just 8% of the general population.

Racism has manifested itself in other ways. While de jure segregation has been dismantled, de facto segregation remains. Traditionally white, affluent neighborhoods have closed their doors to new development, especially affordable housing development. These areas have downzoned and maintained exclusionary zoning policies to prevent new housing from being built. Landlords and realtors continue to discriminate against people of color in subtle but sometimes overt ways. Text reading “No Section 8” continues to be prevalent in apartment listings. As a result, our Black and Brown neighbors searching for housing have far fewer choices than a white apartment-seeker might. Over the last five years, the average vacancy rate in Los Angeles County has been 3.2%,^{vi} which is a tight market for anyone seeking housing, no matter what race they are. But the racism inherent in our built environment and our real estate practices effectively mean that people of color face a far lower vacancy rate and even fiercer competition for scarce housing than that 3.2% vacancy rate indicates.

It is worth noting that state and local policies have exacerbated these trends, especially in California. Exclusionary zoning policies, such as minimum lot sizes and low-density zoning, have locked out more affordable housing modalities in affluent neighborhoods. The state has been loath to challenge cities that fail to meet their goals of zoning for and building housing that’s affordable to low-income people. Up until the end of 2017, the state made it illegal for cities to enact mandatory inclusionary zoning policies. The state still places significant restrictions on the types of rent stabilization a city can enact. California’s state housing and land use policies have been drivers of preserving segregation and incentivizing development patterns that leave marginalized people out

of the picture. To their credit, our leaders in Sacramento are finally having a serious conversation about these issues and are beginning to act.

But the federal government has not adequately accounted for its legacy of racist housing policies and the incalculable damage these policies have wrought on communities across the country. Serious policy change and investment is needed to begin to rectify the physical and financial landscape that racism has left us with. A significant strengthening of the Fair Housing Act, with strong enforcement provisions is a start, and as such, we cannot allow rules like Affirmatively Furthering Fair Housing to be weakened. Strong support for homeownership programs for communities that have traditionally lacked access to conventional credit is vital, as is support for foreclosure prevention programs. Incentives and penalties for exclusionary communities to meet their affordable housing goals is also a needed complement to ensure all neighborhoods play a role in finding solutions. In addition, ensuring that federal housing programs are allowing and encouraging housing stock typologies that are affordable to people in poverty would help alleviate the high costs that many families face.

What federal resources we do have continue to be a driver of why homelessness looks so different in California as it does in other places. On the public housing side, one of the largest booms in public housing investments came after the passage of the Housing Act of 1937. At the time, New York City was already home to 7.5 million residents,^{vii} and at that point, thousands of public housing units that were built in the early twentieth century.^{viii} Los Angeles County's population in 1940 was only 2.8 million. Older East Coast cities with larger populations accelerated their public housing production in accordance with their needs and received larger shares of federal investment in their public housing than Western regions, where large population growth didn't start occurring until later in the twentieth century. By the time policymakers realized the impacts of these population shifts, the federal government had moved away from large scale investments in public housing and was moving to a period of relatively austerity in public investment.

As a result, Los Angeles County is home to 10,806 public housing units between the Housing Authority of the City of Los Angeles (HACLA), the Los Angeles County Community Development Authority (LACDA), and other smaller public housing authorities.^{ix} By comparison, the New York City Housing Authority (NYCHA) administers 173,160 public housing units,^x despite New York City having a smaller population (8.6 million) than Los Angeles County (10.1 million). This lack of depth of public housing in Los Angeles means there are far fewer deeply affordable units, both for those who are at-risk of homelessness and for those that we seek to move out of homelessness and into a housing unit.

Section 8 Housing Choice Vouchers, which have been a flexible tool to serve very low-income households with subsidies, have also not kept up with demand. There are about 94,000 Housing Choice Vouchers available or in use in Los Angeles County,^{xi} compared to about 757,000 very low-income households that are income-eligible,^{xii} or about one voucher for every eight households that qualify. In addition, funding for the Housing Choice Voucher program does not support full utilization of all vouchers. Local housing authorities in Los Angeles are at 100% of their budget utilization, but well below their full voucher utilization. With full funding, thousands of poor Angelenos could be housed that currently are not.

Other federal resources continue to favor older East Coast and Midwest cities in subtle ways—for example, the Community Development Block Grant (CDBG) program considers the age of a Metropolitan Area’s housing stock as a major factor.^{xiii} This also tends to disadvantage Western metropolitan areas where the housing stock is younger than its Eastern counterparts, but where poverty is just as persistent. This leads to further inequity in federal funding allocations. In 2018, for example, the City of Chicago received a \$78.9 million allocation of CDBG funds, while the City of Los Angeles received \$53.7 million, despite the City of Los Angeles being home to 790,320 people living in poverty compared to 550,432 people living in poverty in the City of Chicago.^{xiv}

But in none of these locations, East, Midwest, or West, is federal investment in anti-poverty and housing programs sufficient to match the need. Despite recent small increases and stabilization of budgets in the CDBG program, public housing programs, or the HOME Investment Partnerships program (HOME), the long-term trend has been one of decline. Just in the last few years alone, the decline has continued even as housing costs have continued to rise; from 2009 to 2016, overall federal funding for affordable housing through the CDBG and HOME programs in Los Angeles County declined by 35%.

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 which 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. Over the last several years, the percentage of people experiencing homelessness who are Black and African American in Los Angeles County has ranged from 33% to 40%; four to five times the representation in Los Angeles' general population. This is a legacy we need to address directly and vigorously.

There is more we can do locally, but also more the federal government can do to rectify these inequities. First, the federal government can increase investment in programs that fund housing that's affordable to extremely low-income people, and HUD is the agency best equipped to do that. While programs like the Internal Revenue Service's (IRS) Low-Income Housing Tax Credit (LIHTC) program have been vital sources of affordable housing investment over recent decades and should be bolstered, these programs often fail to house those with the lowest incomes who are most at risk of falling into homelessness. Moreover, HUD and the federal government are the best-equipped entities to support housing for ELI households. Financing housing units and subsidies for ELI populations requires long-term, steady investments. Local governments that rely on fluctuating sales tax or temporary bond revenues are not as well-positioned to provide those types of investments as Congress and HUD are.

One of the ways the federal government could effectively invest in ELI households would be to increase funding for the National Housing Trust Fund (HTF), which provides funding for housing production and preservation and requires that at least 75% of funding be directed towards housing ELI households. We applaud the Committee Chairwoman's bill, H.R. 1856, which would increase investment in the HTF by \$1 billion annually and ensure there is a robust funding for these at-risk households. We also appreciate that H.R. 1856 balances the need to house those at-risk of homelessness through programs like the HTF with housing those that are already experiencing homelessness with investments in supportive housing and rental assistance.

There's more we can do to build off our successes. The U.S. Department of Housing and Urban Development-VA Supportive Housing Program (HUD-VASH) is an example of a unique success that should be replicated. Prior to the creation of the HUD-VASH program, there was little collaboration between local CoCs and local U.S. Department of Veterans Affairs (VA) campuses along with few targeted resources to support homeless veterans to transition to housing. With the creation of HUD-VASH, increased housing resources were paired with case management, along with closer coordination between HUD, CoCs, and the VA. As a result, HUD-VASH has been a driver in reducing veteran homelessness. Nationally, veteran homelessness has fallen 42% between 2011 and 2018. Even in California, where overall homelessness has risen, veteran homelessness dropped by 35% over that period.^{xv}

Similar coordination and targeted resource efforts should be launched. Congress should seek new collaborations modeled after HUD-VASH between HUD and the Department of Labor (DOL) to pair housing programs like Rapid Re-Housing with workforce resources. HUD should also partner with the Department of Justice (DOJ) to connect people exiting the justice system with housing programs and seek to bring similar reductions in homelessness to our justice-involved populations.

These types of coordination can be enabled in part by our partners at the United States Interagency Council on Homelessness (USICH). The Council plays a vital role in sharing information on key programs and efforts across different agencies, while also lifting up best practices from across the country. USICH also shares vital data points on what types of interventions are working and how local communities can achieve the best possible results with the resources they have. Congress should support USICH and ensure they have the resources to enable meaningful collaboration not only between federal agencies, but between federal and local partners.

We have to continue to also lift up and support what the evidence tells us works best. For homelessness, this means reinforcing Housing First as a best practice. We know from a wide body of research that Housing First achieves the best results in terms of getting people housed and keeping them housed. Allowing jurisdictions to move away from Housing First would move us to a less effective system where we do not meet people where they are, and a system where we are less likely to see those people with the most acute needs actually get the opportunity to have those needs met in housing, be they mental health, substance use, or physical health needs.

We also must reject efforts that allow discrimination, whether that be based on race, sexual orientation or gender identity, immigration status, national origin, disability, or any other status. It is not enough to simply remove these barriers in language only, but we must actively and affirmatively remove those barriers. That means supporting legislation that would prohibit discrimination based on a person's source of income, which would also assist communities like ours to fully leverage our federal resources for Housing Choice Vouchers and other programs.

That also means rejecting efforts to limit access to public services. HUD's recent proposed rule on restricting access to public housing and vouchers for families with mixed-immigration status is an example of a rule change that we must reject. Changes such as these will have disproportionate impacts on Los Angeles and other communities in California that have large immigrant populations. Similarly, we must seek to rectify new rules, such as the Department of Homeland Security's new public charge rule, which is set to go into effect on October 15th, and would similarly limit the ability of

individuals to access public services without jeopardizing their prospects of becoming legal permanent residents.

We must also reject rules that allow for discrimination based on sexual orientation or gender identity—HUD’s Equal Access rule has been a key driver of ensuring that shelter programs are more inclusive places where our transgender neighbors are welcome. We know that this population is more likely to be homeless than the general population and therefore are deeply concerned by the possibility that the Equal Access rule might be weakened.

Our collective struggle against homelessness is not without its successes—we’ve seen here in Los Angeles that increased resources along with better coordination and concerted political can bring thousands of our neighbors into housing and into spaces where they can heal and recover from the traumas of the street. We cannot sustain these successes, however, without continued leadership and commitment from all levels of government. We look forward to continuing that vital work with the committee.

ⁱ Los Angeles Homeless Services Authority. (2019). “2019 Greater Los Angeles Homeless Count.”

ⁱⁱ California Housing Partnership Corporation. (2019). “2019 Los Angeles County Affordable Housing Outcomes Report.”

ⁱⁱⁱ U.S. Department of Housing and Urban Development. (2019). “FY 2019 Income Limits.”

^{iv} See note ii.

^v Jackson, K. (1985). “Crabgrass Frontier: The Suburbanization of the United States.” Oxford University Press.

^{vi} 2017 American Community Survey Five-Year Estimates.

^{vii} U.S. Census Bureau. *1940 Census*.

^{viii} Dagen Bloom, N. (2009). “Public Housing that Worked: New York in the Twentieth Century.” University of Pennsylvania Press.

^{ix} See note ii.

^x New York City Housing Authority. (2019). “Draft PHA Agency Plan: Annual Agency Plan for Fiscal Year 2020.”

^{xi} See note ii.

^{xii} *Ibid.*

^{xiii} 42 U.S.C. §5306.

^{xiv} 2017 American Community Survey Five-Year Estimates.

^{xv} HUD. (2018). 2018 Annual Homeless Assessment Report.