

Homeless in LA

Final Research Report

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Underwritten by the
Los Angeles Homeless Services Authority

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Executive Summary

In Los Angeles County in 2002, the estimated number of homeless residents on a typical day, the length of time they were homeless, and the total annual homeless population were as follows (some totals are affected by rounding error):

Time Interval of Estimate	Family Members				Single Individuals				GRAND TOTAL
	<7 Months	7-11 Months	12+ Months	Total Family Members	<7 Months	7-11 Months	12+ Months	Total Single Individuals	
Point-in-Time Homeless	29,300	1,500	3,100	33,900	29,700	5,000	9,900	44,700	78,600
Total Annual Homeless	114,100	1,900	3,100	119,100	118,600	6,000	9,900	134,900	253,900

WHERE AND HOW PEOPLE BECOME HOMELESS

- Los Angeles has become a seedbed of homelessness for other regions, sending out one and one-half times as many homeless people as it receives.
- Roughly one-quarter of residents in acute poverty (income less than half of the poverty threshold) experience homelessness over the course of a year.
- Homeless services are highly concentrated in the urban center of Los Angeles but sparse in the area of greatest need – South Los Angeles, and acutely under-developed in the Antelope and San Gabriel valleys.
- Drugs and alcohol are the most frequently reported causes of homelessness.
- Sixty percent of homeless single adults and 53 percent of families come into Winter Shelter after having been in the care of another organization. Better post-release planning and advocacy would reduce homelessness.
- An upsurge in family homelessness appears to occur at the start of the year.
- On a typical night 10 percent of homeless residents are doubled up with friends or relatives, 11 percent in rehabilitation facilities, jails or hospitals, 24 percent in shelters, and 55 percent in places not meant for human habitation.
- Mentally ill homeless residents are over-concentrated in the downtown area.

DEMOGRAPHIC PROFILE

- Homeless residents are younger than the overall population. Many are children under 5 and young mothers 18 to 29 years of age.
- Over half of the 1,000 foster youth emancipated each year are estimated to become homeless, and over half of homeless youth enter the justice system.
- African Americans are over-represented by a factor of 5 in the county's homeless population. All other ethnic groups are under-represented.
- Seventeen percent of homeless adults report a history of active military service. This is nearly double the 9 percent rate for the rest of the county.

- Forty-two percent of homeless residents report some type of disability.
- Homeless residents are 50 percent more likely to lack a high school diploma and 50 percent less likely to have attended college than the overall county.

HOMELESSNESS AND PUBLIC ASSISTANCE

- Eighty-five percent of homeless receive some form of county public assistance.
- Two-thirds of homeless welfare recipients are in families, one-third are single.
- Two-thirds of homeless families have had a recent break in welfare benefits.
- Over half of General Relief recipients are homeless.

CONNECTIONS TO WORK AND SUSTAINABLE EARNINGS

- Two-thirds of homeless residents are working-age adults.
- The most frequent source of income before the onset of homelessness is a job.
- Most homeless adults have histories of work, but not of sustainable earnings.
- Homeless workers are concentrated in the lowest-paying occupations, many of which do not offer prospects for advancement to a sustainable wage.
- With more intensive and effective training and supportive services, 35 to 38 percent of homeless adults might become self-sufficient through work.

COSTS AND RESOURCES TO END HOMELESSNESS

- It is not financially feasible to end homelessness unless the flow of new entrants into homelessness is curtailed dramatically.
- Local jurisdictions spend an estimated \$404 million annually on homeless services and housing, with an additional \$115 million in private outlays.
- More effective efforts to help homeless residents re-enter the labor force and obtain public benefits will reduce costs by an estimated 16 percent.
- Reducing the flow of people being cared for by major social institutions into homelessness will reduce costs by an estimated 47 percent.
- Providing housing is by far the greatest cost in ending homelessness – accounting for two-thirds to three-quarters of total costs.
- Even with highly effective strategies it will be necessary to take additional steps to improve how resources are used and to bring in new resources.
- Current expenditures already equal 35 to 59 percent (depending on the year) of the estimated annual cost of an effective strategy to end homelessness over the next ten years. With full participation of all local, state and national stakeholders there are adequate resources to end homelessness in 10 years.

This report brings together the Economic Roundtable's research for "Bring LA Home," a strategic planning initiative to end homelessness in Los Angeles County. It expands and completes a preliminary report that was released in November 2003. New material included in this final report is listed at the end of Chapter 2.

Strategic Information about Homelessness

Who is homeless in Los Angeles County? What kinds of help do people need to escape homelessness? How many people need each kind of help? Answers to these practical questions provide the rough outlines of a strategy to end homelessness. Toward that end this report brings together all of the Economic Roundtable research and analysis for Bring LA Home, a strategic planning initiative to end homelessness in Los Angeles County. *Homeless in LA II* expands and completes a preliminary version of this report that was released in November 2003. New material that has been added is listed at the end of this chapter.

Homeless individuals are defined by the absence of crucial connections that give us much of our information about the American population, making it difficult to delineate the size and characteristics of this segment of our community. One or more of the following connections are typically absent from the lives of homeless individuals and families:¹

1. *Housing*, which provides the framework for enumeration of the American population by the Census Bureau.
2. *Place*, homeless individuals have exceptionally high mobility rates.
3. *Family*, the long-term homeless are often single individuals without active family connections.

From previous work as well as the research of others² we know that the homeless people who we see on a given day at shelters and meal programs or on sidewalks are predominantly individuals who have been homeless for extended periods. Yet the total population that is homeless over the course of a year is predominantly people who have had short stints of homelessness, and many of them are in families. In other words, when the music stops and we look at those who are un-housed rather housed on a given night, most of the homeless “slots” are taken up by people who have held them for a long time. But because a much larger population of precariously housed individuals cycles through the smaller number of short-term homeless “slots”, they account for a majority of the people who experience homelessness over the course of a year.

Dynamics of Homelessness

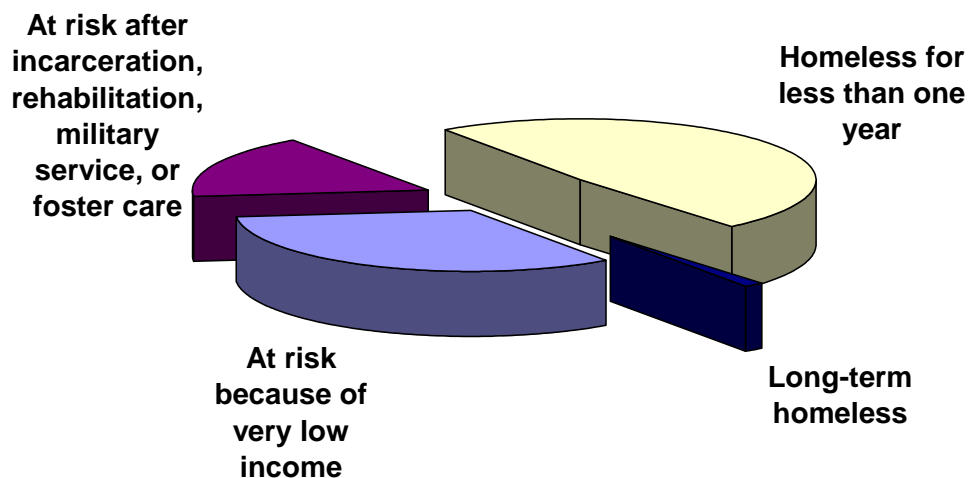
An overview of homeless population dynamics can be seen in Figure 1, which shows two groups at risk of homelessness and two groups that are

differentiated by their duration of homelessness. The groups at risk of homelessness need to be helped through prevention strategies and the groups that are homeless need to be helped through recovery strategies. These four groups and strategies for preventing or ending their homelessness are as follows:

1. **At Risk of Homelessness After Discharge from an Institution** - includes individuals coming out of prison, jail, hospitals, domestic violence shelters, substance abuse programs, military service, and foster care. Prevention strategies include:
 - a. Pre-release planning
 - b. Transitional housing
 - c. Enrollment in available benefits programs
 - d. Employment for most individuals
2. **At Risk of Homelessness Because of Very Low Income** – includes individuals with incomes below the poverty threshold, with very high rates of homelessness among individuals whose income is below half of the poverty threshold. In 2003 the poverty threshold was \$9,573 for a single, working-age person or \$14,824 for a single parent with two children. People’s incomes may fall below this threshold, and

Figure 1

Four Groups that are Part of the Dynamics of Homeless



even below half of this threshold, if they are unemployed, have low-paying or part-time jobs, or if a benefits program such as CalWORKs is disrupted. Prevention strategies include:

- a. Employment
- b. Linkage with available supportive services
- c. Enrollment in available benefits programs
- d. Increasing the supply of affordable housing

3. **Homeless for Less than One Year** – includes many families, often headed by a single mother, who are precariously housed and experiencing a short stint of homelessness. This is often the result of a break in employment, benefits, or some other sudden financial crises. This group also includes some individuals on a path toward long-term homelessness. Recovery strategies include:

- a. Immediate access to shelter
- b. Enrollment in available benefits programs
- c. Individually appropriate supportive services including: mental health, substance abuse, domestic violence, childcare, and transportation.
- d. Employment for most
- e. Subsidized housing for some

4. **Long-term Homeless** – Includes many single individuals, often men, some of whom have substance abuse or mental health problems.

Recovery strategies include:

- a. Immediate access to shelter
- b. Enrollment in available benefits programs
- c. Individually appropriate supportive services
- d. Employment for as many as possible
- e. Long-term subsidized housing for most

In this report we focus on providing information that helps us understand the population of currently homeless individuals in Los Angeles County, and the number of people who need each of the recovery strategies listed above and described below in greater detail.

PATHS OUT OF HOMELESSNESS

Most people escape homelessness by securing an income through employment or public benefits, or a combination of the two, that enables them to obtain housing. The solution to homelessness lies in helping more people secure a

sustainable income, and in helping those who are unable to secure an income to obtain housing. Looking at these solutions in terms of costs to local government produces the following ranking.

1. **Employment** – Individuals and families that are able to fully or partially pay for their own housing through earned income require the lowest level of public outlays. This includes:
 - a. *Self-supporting employment* – only a small minority of individuals who have experienced long-term homelessness achieve this outcome. Increasing the number of homeless adults who find and keep full-time, living-wage jobs is the most cost-effective strategy for eliminating homelessness.
 - b. *Partially self-supporting employment* – this outcome is widespread among most short-term and many long-term homeless adults. Often public benefits augment the earned income of homeless adults with children. To the extent that earned income can be increased and stabilized these families will have greater housing security.
2. **Public Benefits** – Many homeless families and individuals receive cash grants from public benefits programs. Access to ongoing income maintenance from CalWORKs explains why families typically have shorter stints of homelessness than single individuals. Similarly, disruptions in benefits explain why some families become homeless. Enrolling eligible persons in available benefits programs will enable some segments of the population to escape homelessness. Programs include:
 - a. *CalWORKs*, which provides cash grants to needy families.
 - b. *Supplemental Security Income*, which provides cash grants for disabled individuals.
 - c. *Veteran's benefits*, which include compensation for disabilities resulting diseases or injuries encountered during military service.
 - d. *General Relief*, which provides \$221 a month for six months out of a year for employable recipients, and for an additional three months if the individual participates in required employment-related activities. Benefits are not time-limited for recipients who are not employable.
 - e. *Medi-Cal*, which pays for medical care for low-income people, especially families, children, the disabled, and the elderly.
 - f. *Food Stamps*, which are coupons that can be exchanged for food at grocery stores so that low-income individuals and family do not go hungry.

3. **Housing** – Shelter is an obvious and immediate need for all homeless individuals and families. There is broad consensus among homeless service providers that providing shelter is the first step in recovery from homelessness. It is also important to note that long-term subsidized housing requires major public outlays for each person receiving this assistance. To the extent that as many working-age adults as possible can be equipped to pay for their own housing through earned income or benefits programs it will become more feasible provide long-term subsidized housing for the remaining homeless population. Subsidized housing includes:
 - a. *Emergency shelter* – short-term emergency housing for individuals and families coming in off of the streets.
 - b. *Transitional housing* – for individuals and families in the process of recovering from homelessness.
 - c. *Affordable housing* – for individuals and families, who may be able to pay part of their rent out of benefits or earned income, with the remainder of their rent subsidized.
 - d. *Long-term supportive housing* - affordable housing linked to accessible mental health, substance addiction, employment, and other support services.
4. **Supportive Services** – Many homeless individuals and families have suffered traumas or have difficulties that must be overcome to stabilize their exit from homeless. Supportive services that can help meet these needs include:
 - a. *Substance abuse treatment*
 - b. *Health and dental care*
 - c. *Mental health services*
 - d. *Education and vocational training*
 - e. *Employment services*
 - f. *Legal services*
 - g. *Counseling*
 - h. *Case management*
 - i. *Childcare*
 - j. *Transportation*
 - k. *Money management training and services*
 - l. *Access to rental housing, including furniture and appliances and assistance with credit problems*

OVERVIEW OF REPORT

The remaining chapters of this report are organized as follows, with new material *highlighted in italic*:

- Chapter 3 explores the geography of homelessness and presents information about why and how long people are homeless, and where homeless residents came from. *New material in this chapter includes: the geographic distribution of residents in acute poverty and linkages to homelessness, ratios of homeless residents to shelter beds in each region of the county, and estimates of where homeless residents sleep at night.*
- Chapter 4 describes dynamic fluctuations within the homeless population, with a *new section analyzing the linkages of public institutions with homeless residents.*
- Chapter 5 describes the demographic composition of the homeless population.
- Chapter 6 discusses current success rates in escaping homelessness through work.
- Chapter 7 presents an estimate of the number of people who are homeless on a given day and over the course of a year, with a *new section discussing the ways in which homelessness in Los Angeles differs from the rest of the nation.*
- Chapter 8 presents a *new analysis estimating the scope of services and cost to end homelessness in Los Angeles County.*
- Chapter 9 is a *new compilation of all known outlays for homeless residents in Los Angeles County and description of sources of additional funds to pay for ending homelessness.*
- Chapter 10 is a *new summary of the practical implications for addressing homelessness that flow from key findings in this report.*
- Chapter 11 discusses sources and limitations of data used for estimates.
- Chapter 12 presents comments by the Los Angeles County Department of Public Social Services about this report and responses from the Economic Roundtable.

ENDNOTES

¹ Burt, Martha; Aron, L.; and Lee, E. (2001)/ *Helping America's Homeless: Emergency Shelter or Affordable Housing?* Washington, D.C., The Urban Institute Press, p. 2.

² Early investigations of the longitudinal homeless population include Culhane, Dennis P.; and Randall Kuhn (1995), *Patterns and Determinants of Shelter Utilization Among Single Adults in New York and Philadelphia: A Longitudinal Analysis of Homelessness*, Annual Meeting of the Eastern Sociological Association, Philadelphia, PA.

Where, Why and How Long People are Homeless

INTRODUCTION

On a given day, there is a large population of people at risk of becoming homeless and a smaller population of people who are actually homeless. Some of those at-risk have had previous stints of homelessness and may become homeless again, while others face losing their housing for the first time. Most of those at risk of homeless live in poverty or have acute personal crises (e.g., health, legal, financial) that make their ability to retain housing precarious. With the information assembled for this study we are able to describe many of the people who are homeless some time during the year and at risk of becoming homeless again.

Information about the location of homeless residents and the institutions to which they are linked provides a blueprint for many of the actions needed to prevent and eliminate homelessness. These two types of information can help us address homelessness in ways that support basic values of: fair-share contributions by each community, preventing homelessness, correcting the structural drivers that cause homelessness, and building programs that are responsive to the distinctive attributes of homeless individuals and the communities where they reside.

We draw on three primary sources of data in this chapter to describe where, why and for how long homelessness occurs. Some of this information comes directly from homeless people, other information comes from the welfare case records of people who have previously been homeless and may experience additional stints of homelessness. Each of these data sources give us glimpses of Los Angeles' homeless residents, but no single data set captures all of the population or answers all of the critical questions about their needs. Strengths and limitations of this data are discussed in Chapter 11 and summarized as follows:

1. **Homeless Public Assistance Recipients in 2002** – welfare case records provide brief information about the characteristics of all 216,708 individuals who received any form of public assistance from Los Angeles County's Department of Public Social Services and who were identified as being homeless for part, or in some cases all, of 2002. We estimate that this data set includes about 85 percent of the county's homeless residents, making it the largest and most representative data source used for this study. It describes the annual, rather than the point-in-time, homeless population.

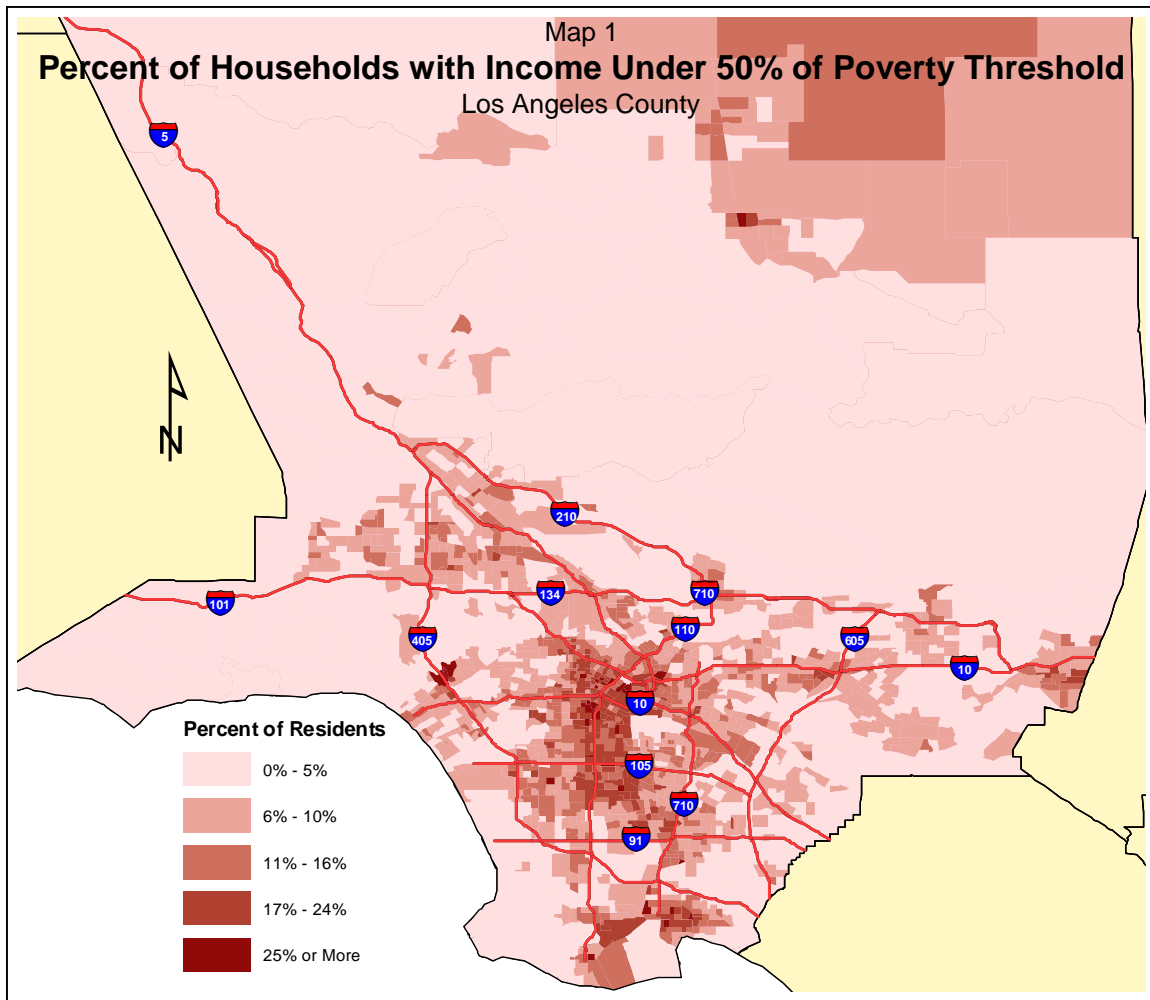
2. **Winter Shelter Data** –questions asked of individuals and families entering the Winter Shelter Program include the cause and duration of homelessness, past and possible future living situations, and sources of income. One limitation of this data is that the Winter Shelter population is disproportionately comprised of individuals who have been homeless for long periods of time. A second limitation is that individual responses are not available; responses are rolled up by agency, except for data from a shelter survey conducted in 2002.
3. **Census Bureau, Public Use Microdata Sample** - PUMS provides all of the data from the long-form Census questionnaire for 5 percent of population. This includes an incomplete sample of homeless residents, made up largely of people in shelters, so it is skewed toward the long-term homeless. It represents a point-in-time population of 28,773 people who were homeless in March of 2000. The value of this data is that it provides detailed information and allows us to see homeless residents in a common frame of reference with the total population of Los Angeles.

ACUTE POVERTY

The most powerful predictor of homelessness is acute poverty. The greatest concentration of residents in acute poverty, that is with annual incomes less than half of the poverty threshold, is in a corridor extending from downtown Los Angeles through South Los Angeles, as shown in Map 1. The 2000 Census identified 749,700 residents of Los Angeles County with annual incomes that were *less than half* of the poverty threshold – currently \$4,680 for a single adult or \$7,247 for a family of three. Among persons in poverty, this population in acute poverty has the highest risk of homelessness.

Los Angeles County residents in acute poverty are broken out by Service Planning Area in Table 1. Later in this report we estimate how many people experience homelessness over the course of a year; our estimated homeless popula-

Table 1 LA County Residents in Acute Poverty 2000 Census		
Service Planning Area (SPA)	Percent of LA County Population Below 50% of Poverty Threshold in SPA	Percent of LA County Total Population in SPA
1 - Antelope Valley	3%	3%
2 - San Fernando	15%	21%
3 - San Gabriel	14%	18%
4 - Metro	18%	12%
5 - West	5%	6%
6 - South	19%	10%
7 - East	11%	14%
8 - South Bay	16%	16%
Total	100%	100%



tion is equivalent to one-third of the population in acute poverty. **The urban core of the region made up of the Metro and South Service Planning Areas accounts for 22 percent of the county's population but 37 percent of residents who are in acute poverty.** The other six planning areas all have below-average concentrations of residents in acute poverty. Areas with high concentrations of acute poverty can be expected to also have high rates of homelessness.

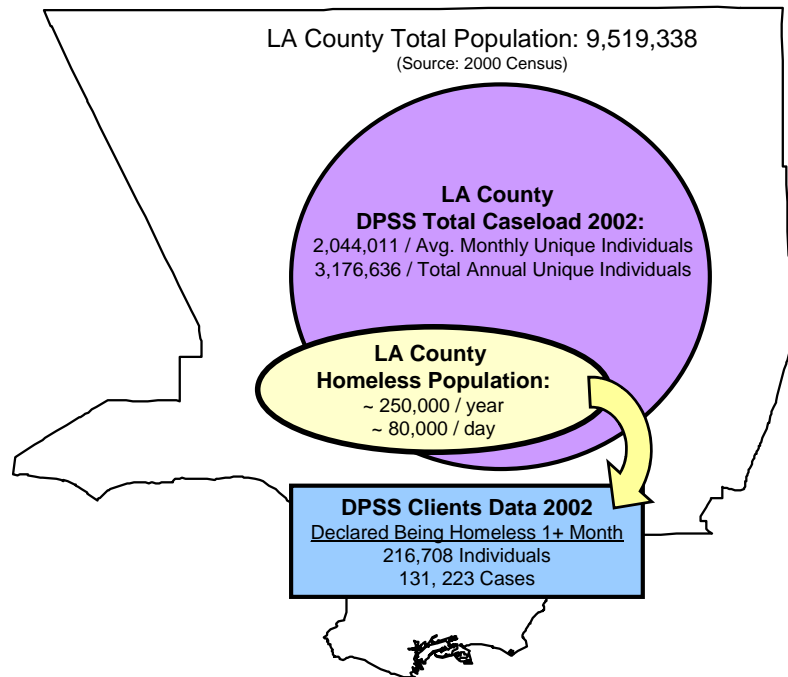
HOMELESS WELFARE RECIPIENTS

Frequency of Homeless among Public Assistance Recipients

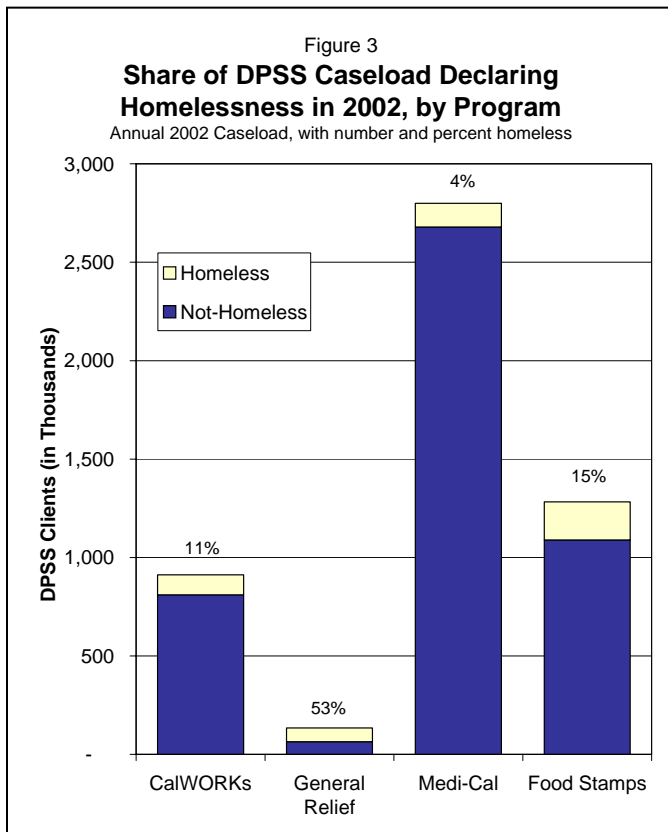
Seven percent of the 3.4 million people who received some form of public assistance from Los Angeles County's Department of Public Social Services (DPSS) in 2002 identified themselves as being homeless for some portion of the year.

These 216,708 homeless clients made up 131,000 DPSS cases,¹ or household units. Most of these individuals and families were homeless for only part of the year, and were pre-homeless or post-homeless for the rest of the year. Thus, this annual population represents people who were both at risk of homelessness as well as actually homeless during the year. The overlap of the county's homeless welfare recipients and

Figure 2



its overall homeless population is shown in Figure 2.



Of the 254,000 people that we estimate were homeless sometime in 2002, 217,000 received public assistance for at least part of the year, although these two events may well not occur at the same time. This represents 85 percent of all homeless residents. The percent of individuals in each of the four public assistance programs who experienced homelessness during the year is shown in Figure 3 and includes:

General Relief	53 percent
Food Stamps	15 percent
CalWORKs	11 percent
Medi-Cal	4 percent

The type of public assistance that the 216,708 homeless public assistance recipients had received at some time during the year is as follows:

- CalWORKs (adults and children in families) 47 percent
- General relief (indigent single individuals) 33 percent
- Medi-Cal or Food Stamps but no cash grant 20 percent

Over half of General Relief recipients experience homelessness. This welfare program for impoverished single adults is the epicenter of long-term homelessness. The CalWORKs program, which aids impoverished families, has a lower rate of homelessness than General Relief, but because it is a much larger program it includes more people who experience homelessness.

Age and Family Status

Family members made up two-thirds of the annual population of homeless welfare recipients, and single adults made up one-third. Thirty-one percent were parents accompanied by children, and 35

percent were children. The remaining 34 percent were single adults. The age and primary benefits program of homeless public assistance recipients is shown in Table 2.² Sixty-four percent were working age adults, that is, between the ages of 18 and 64. In a following chapter we look at the employment outcomes of working-age homeless residents.

Table 2 Public Assistance Program and Age of Recipients who were Homeless in 2002 ²					
	Participant?	AGE			Total
		<18	18-64	65+	
CalWORKs	Yes	63,778	37,131	772	101,681
	No	12,026	100,887	2,009	114,922
General Relief	Yes	883	68,360	1,342	70,585
	No	74,921	69,658	1,439	146,018
Medi-Cal	Yes	73,430	45,941	1,206	120,577
	No	2,374	92,077	1,575	96,026
Food Stamps	Yes	65,835	125,616	2,266	193,717
	No	9,969	12,402	515	22,886
Total Unique Individuals		75,804	138,018	2,781	216,603

Geographic Distribution

The make-up of homeless public assistance recipients varies in different parts of the county, indicating that **different intervention and prevention strategies are needed in different areas.** In the Antelope Valley, East, and South Bay planning areas most homeless public assistance recipients are family members; in the Metro area most are single adults. **Initiatives to develop needed shelter beds and housing for homeless residents in the Antelope and San Gabriel Valleys should ensure that the needs of families are met.**

The geographic distribution of the population in acute poverty reappears as we look at the location of homeless public assistance recipients. The share of homeless recipients in each Service Planning Area is shown in Figure 4. South Los Angeles leads with 33 percent and the Metro area is second with 15 percent.

Los Angeles County is the primary unit of government for serving homeless residents. The homeless population is distributed among the five county Supervisorial districts in Figure 5. Forty percent of residents are in the second district, which includes the most acutely impoverished areas of the county. When we add in the first district, which includes downtown Los Angeles through the West San Gabriel Valley we have roughly two-thirds of the county's homeless residents.

The last known addresses of homeless public assistance recipients together with the location of shelter beds are shown in Map 2, and the ratio of people to beds is shown in Table 3. This information identifies areas with the greatest deficits in emergency shelter resources and greatest need for new program sites. Given current rates

Figure 4
Percent of Homeless Public Assistance Recipients in Each LA County Service Planning Area

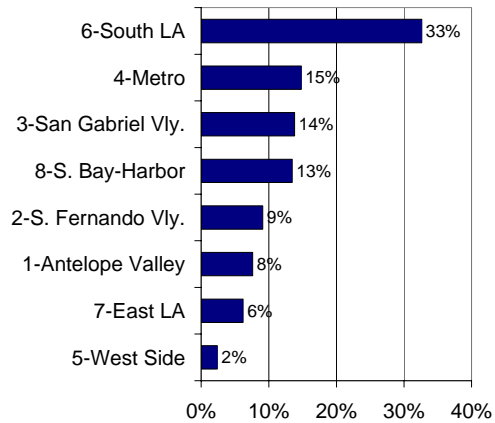


Figure 5
Percent of Homeless Population in Each of Los Angeles County's 5 Supervisorial Districts

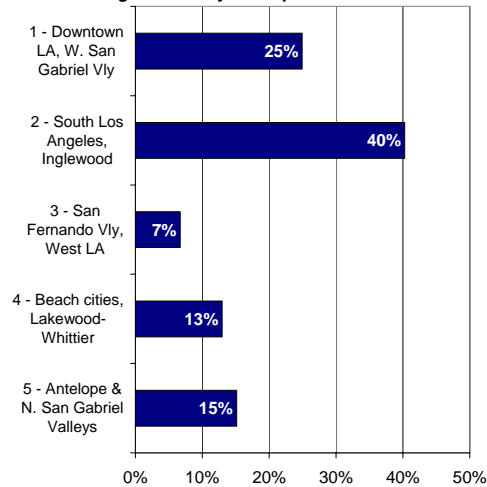
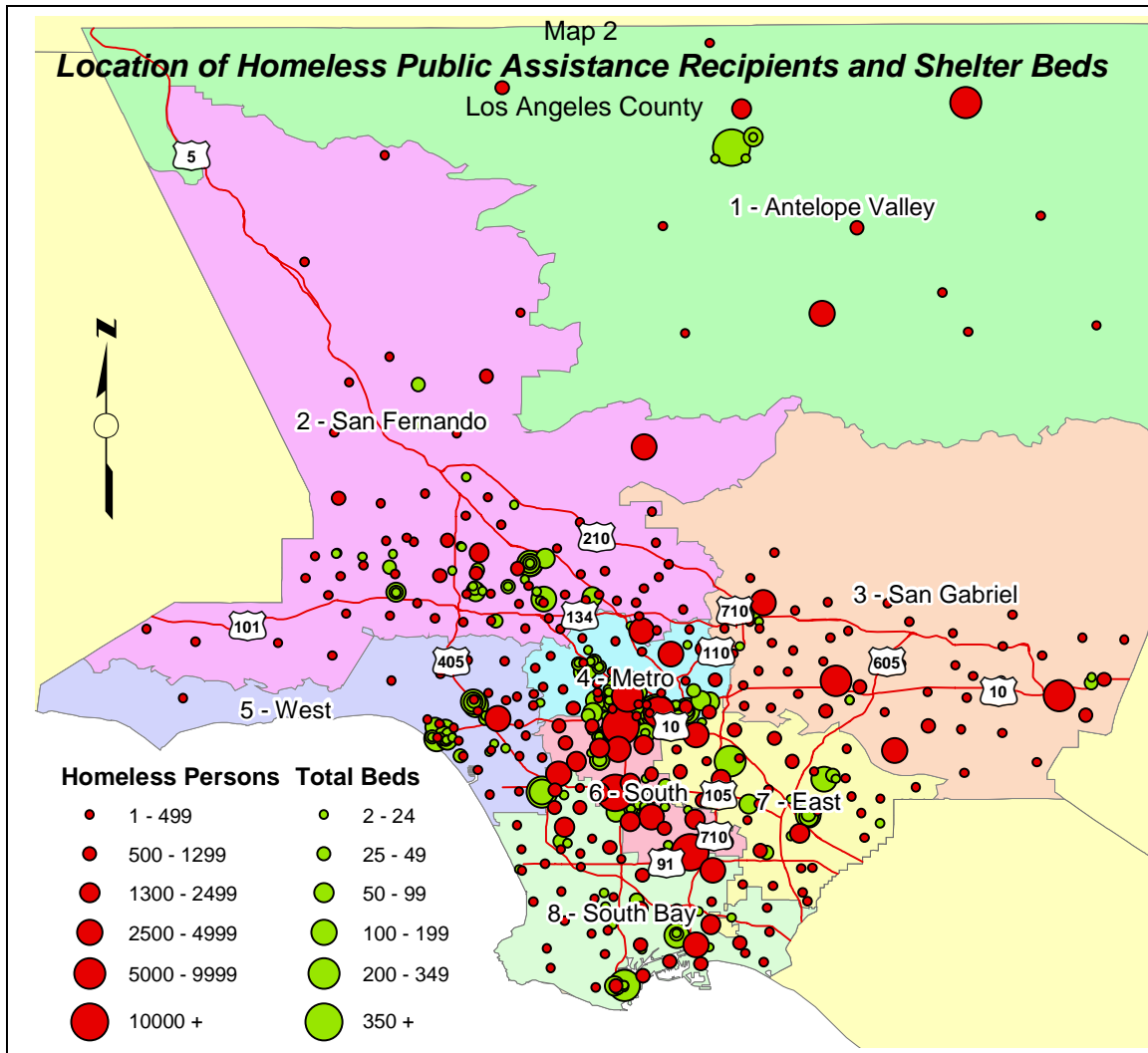


Table 3
Ratio of Annual Homeless Public Assistance Recipients to Shelter Beds by Service Planning Area

Service Planning Area	Total Beds	Annual DPSS Homeless	Ratio of People to Beds
1 - Antelope Vly.	705	16,000	23
2 - San Fernando	1,681	19,100	11
3 - San Gabriel	216	29,000	134
4 - Metro	7,848	31,100	4
5 - West	1,188	5,000	4
6 - South	1,459	68,600	47
7 - East	904	13,000	14
8 - South Bay	1,589	28,300	18
TOTAL	15,590	210,300	13

of homelessness, a total of 7,000 additional shelter beds are needed to bring each Service Planning Area up to the countywide average of 13 annual homeless public assistance recipients per shelter bed. The greatest deficits are: 3,800 beds in South Los Angeles and 2,000 beds in the San Gabriel Valley.



The scarcity of shelter beds in the San Gabriel Valley is especially acute because of the virtual absence of shelter resources in this area of the county. This shortfall as well as those in South Los Angeles and the Antelope Valley need to be corrected so that homeless residents will not have to migrate to other areas of the county to receive emergency services.

Where Do Homeless People Sleep at Night?

We do not have good information about where homeless residents spend their nights. But piecing together information from different sources³ to produce a very rough estimate of sleeping arrangements on a typical night in Los Angeles County we see that over half sleep in places not meant for human habitation, as shown in Table 4.

This estimated distribution of the homeless population by sleeping location may well under-state the number that are doubled up with friends and relatives. The only source of data that has been identified for estimating the size of this homeless group is the Winter Shelter program, which may under-represent emancipated foster youth, welfare families and other homeless residents who have no homes of their own but seek last-resort shelter by doubling up with friends and relatives.

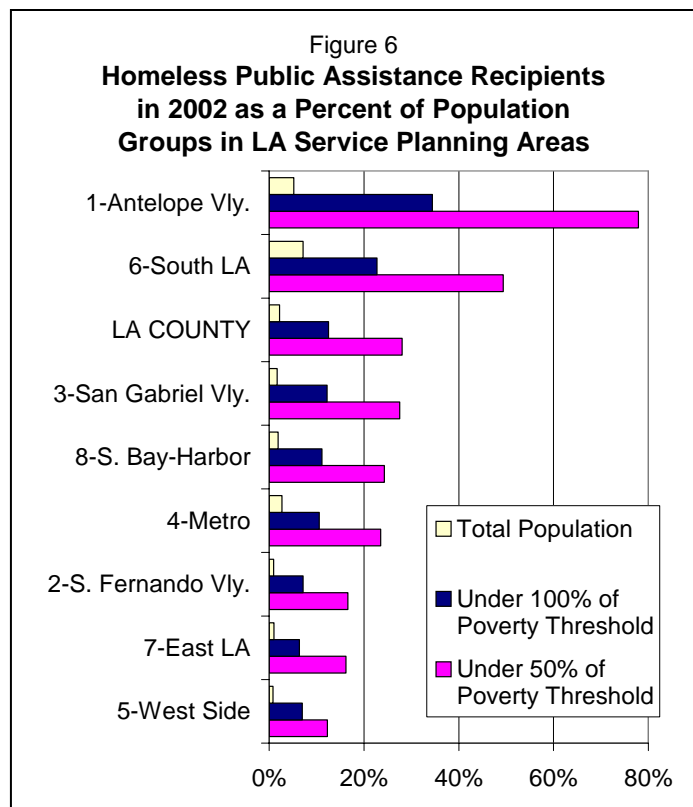
Table 4
Sleeping Locations of Homeless Residents on a Typical Night in Los Angeles County

Doubled up with friends & relatives	10%
Rehabilitation, jail, hospital	11%
Emergency shelters & transitional housing	24%
Sidewalk, car, public transit, empty bldg., roadway, park, other	55%
TOTAL	100%

Homeless Residents as a Share of the Population

What percent of the overall population and also of the poverty population is made up of homeless public assistance recipients? Poverty, particularly acute poverty, is the most significant, readily identifiable factor associated with homelessness. Yet the percent of people in poverty who are homeless varies significantly from one area of the county to another.

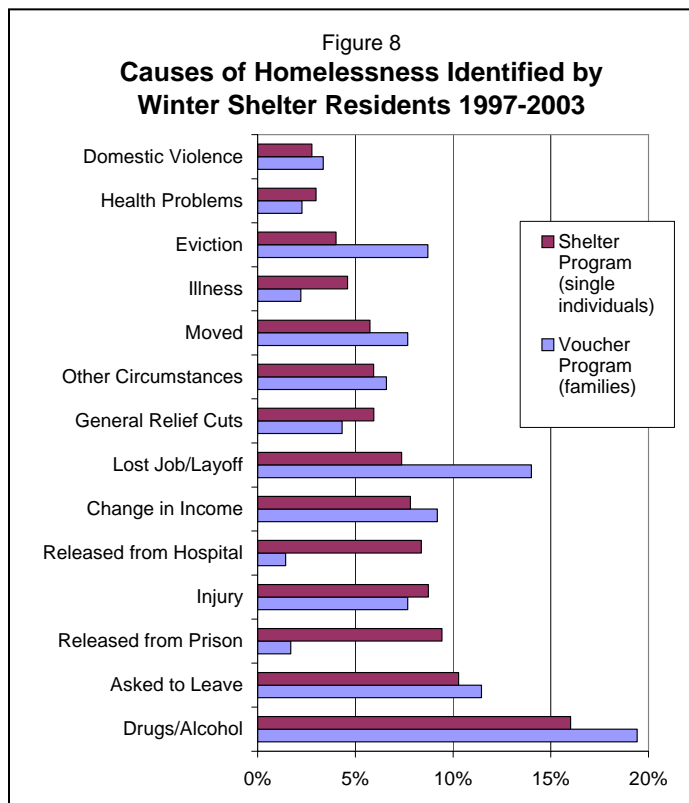
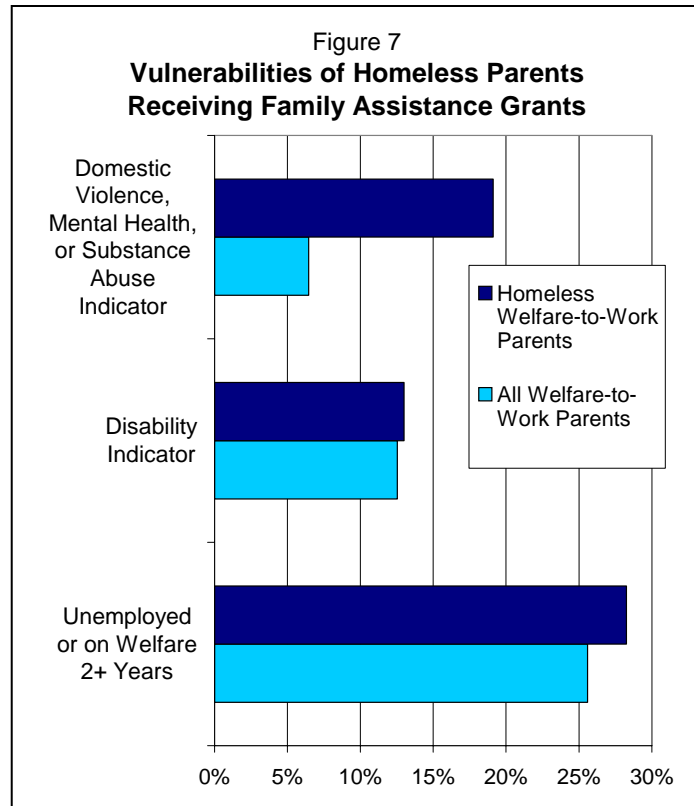
It appears that people drop into homelessness far more easily in some parts of the county than others. Figure 6 shows that homeless public assistance recipients make up a far larger share of the overall population as well as the poverty population in the Antelope Valley and South Los Angeles than in the rest of the county. These homeless residents are equivalent 34 percent of the poverty population in the Antelope Valley, 23 percent in South Los Angeles, and 9 percent in the rest of the county. **Weaker social service networks may account for the higher rates of homelessness in the Antelope Valley and South Los Angeles.**



CAUSES AND DURATION OF HOMELESSNESS

Why People Become Homeless

We have two sources of information that explain some of the reasons why people become homeless. The first, shown in Figure 7, is from the welfare-to-work case records for the CalWORKs program, which provides cash grants for impoverished families.⁴ Single mothers head about four-fifths of these families. Among these families, **those that experienced homelessness reported problems of domestic**



violence, mental health or substance abuse three times more often than other families receiving public assistance that were not homeless. The rates of two other major vulnerabilities, disabilities and long-term welfare dependency or unemployment, were similar for both housed and homeless families.

The second source of information about causes of homelessness is from the Winter Shelter program. This program sheltered 92,622 single individuals and 3,525 families from November 1997 through July 2003. Each individual

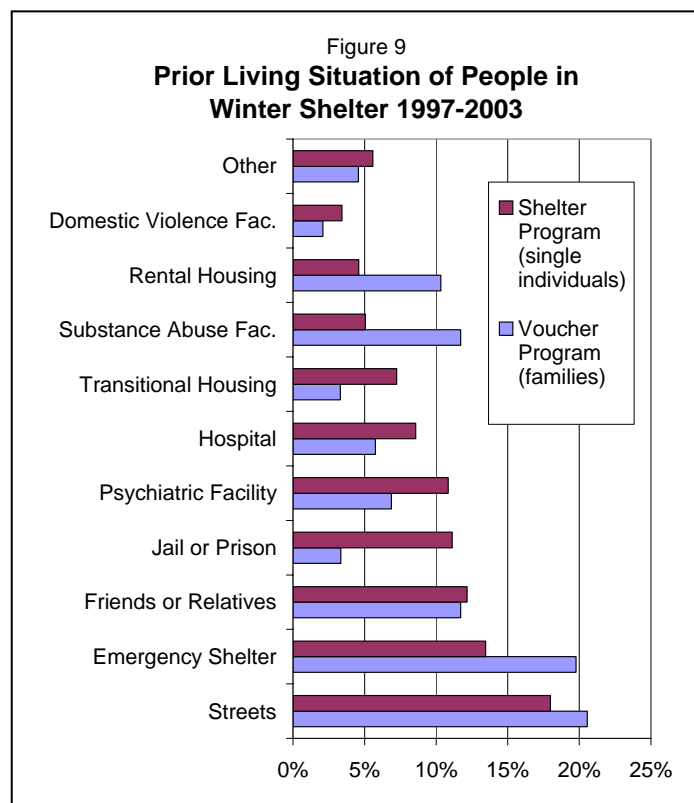
and family entering the program has been asked why they were homeless. Their responses are shown in Figure 8. The causes of homelessness most frequently reported by single individuals have been:

- Drug and alcohol abuse – 16 percent
- Being asked by friends and family to leave where they were staying (possibly after it became untenable to continue doubling up in others' housing) – 10 percent
- Release from prison (possibly without a place to stay) – 9 percent
- Injury (possibly preventing employment) – 9 percent
- Release from hospital (possibly without a place to stay) – 8 percent
- Change in income – 8 percent
- Loss of job – 7 percent

The causes of homelessness most frequently reported by families have been:

- Drug and alcohol abuse – 19 percent
- Loss of job – 14 percent
- Being asked by friends and family to leave where they were staying – 11 percent
- Change in income – 9 percent
- Eviction – 9 percent
- Injury – 8 percent

Drug and alcohol abuse is the most frequently reported cause of homelessness for both families and individuals. Families differ from individuals in several ways. One difference is that parents with children are much more likely to have been in a residential substance abuse treatment program than single adults. Another difference is that parents are much more likely to become homeless after losing a job or being evicted, indicating a greater likelihood of being employed and occupying market-rate rental housing prior to becoming homeless.



Where People Lived Before Entering Winter Shelter

Most homeless people come into Winter Shelter from off the street, as shown in Figure 9. In rank order, the prior living situations of single adults are:

- Streets 18 percent
- Emergency Shelter 13 percent
- Friends or Relatives 12 percent
- Jail or Prison 11 percent
- Psychiatric Facility 11 percent
- Hospital 9 percent

The prior living situations of families, in rank order, are:

- Streets 21 percent
- Emergency Shelter 20 percent
- Friends or Relatives 12 percent
- Substance Abuse Facility 12 percent
- Rental Housing 10 percent

Single individuals are more likely than parents with children to have been incarcerated (11 vs. 3 percent). And single individuals are less likely than parents with children to have been in a substance abuse facility (5 vs. 12 percent), to have been in an emergency shelter (13 vs. 20 percent), or to have been in rental housing (5 vs. 10 percent).

It is particularly noteworthy **that 60 percent of homeless single adults and 53 percent of families come into Winter Shelter after having been in the care of another organization.** This includes emergency shelters, jails, prisons, psychiatric facilities, hospitals, substance abuse facilities, and domestic violence facilities. **More effective post-release planning, advocacy and service delivery hand-off would greatly reduce the churning of homeless people.**

SUMMARY OF FINDINGS

- An estimated 85 percent of the people who were homeless in 2002 received some form of county public assistance during at least part of 2002.
- Family members made up two-thirds of the annual population of homeless welfare recipients, and single adults made up one-third.
- Sixty-four percent of homeless public assistance recipients were working age adults.
- It appears that people drop into homelessness far more easily in some parts of the county than others. Homeless public assistance recipients are

- equivalent 34 percent of the poverty population in the Antelope Valley, 23 percent in South Los Angeles, and 9 percent in the rest of the county.
- Families receiving public assistance that experienced homelessness reported problems of domestic violence, mental health or substance abuse three times more often than other families receiving assistance.
 - Drug and alcohol abuse is the most frequently reported cause of homelessness.
 - Sixty percent of homeless single adults and 53 percent of families come into Winter Shelter after having been in the care of another organization. More effective post-release planning, advocacy and service delivery hand-off would reduce the churning of homeless people.
 - The greatest number of unserved homeless residents is in South Los Angeles.
 - Although the absolute need is smaller, the greatest scarcity of services is in the San Gabriel and Antelope valleys.
 - The social infrastructure for preventing homelessness appears weakest in the Antelope Valley and South Los Angeles.
 - The Department of Public Social Services has the largest institutional role to play in preventing and ending homelessness.
 - More effective post-release planning, advocacy and service delivery hand-off by homeless service providers would greatly reduce the churning of homeless people.

ENDNOTES

¹ A DPSS case is the basic assistance unit of the county. A case can simply be an individual, such as a single adult male receiving General Relief, or it can be a family unit (a single mother and her children). These 131,223 DPSS cases had declared being homeless for 1+ month(s) in 2002, and consist of 216,708 unduplicated adults and children.

² The total unique individuals displayed in this chart do not add up to the grand total of 216,708 persons whose DPSS case self-declared being homeless for one or more months in 2002 because some client records in the data have missing or faulty dates of birth. This accounts for the 105 missing records in Table 1.

³ Data sources for this estimate of the distribution of Los Angeles County's point-in-time homeless population by sleeping location are as follows:

- Percent doubled up with friends and relatives is based on responses of new entrants to Winter Shelter from 1997 to 2003 to the admissions questionnaire.
- Percent in emergency and transitional shelter beds is the total number of beds identified in LAHSA's Continuum of Care, the Winter Shelter program, and beds in Pasadena, Glendale, and Long Beach as a percent of the estimated point-in-time homeless population.
- Percent in institutional settings is based on: 2,000 in jail (Sheriff's homeless plan); 6,007 in substance abuse or mental health treatment (Continuum of Care shows: 60,070 mentally ill, chronic substance abusers or mentally ill; 20% treated in last 60 days; estimate that average treatment is 30 days), 303 in hospital (extrapolated from Santa Monica homeless count), 152 emergency vouchers (extrapolated from Santa Monica homeless count).
- Percent in locations not meant for human habitation is the residual of the population not accounted for in the above three categories.

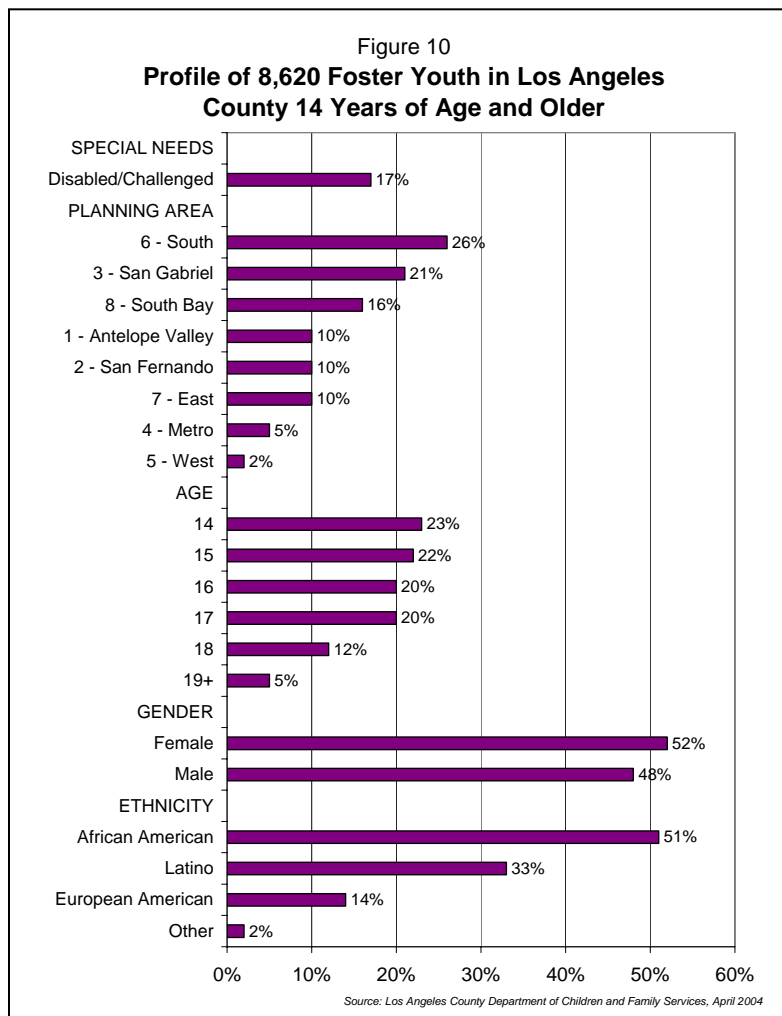
⁴ This data is for 324,157 parents who participated in the GAIN welfare-to-work program from 1998 through 2001. Of these parents, 24,398 reported that they were homeless in 2002. These parents who reported homelessness are compared to the other 299,759 parents who did not report episodes of homelessness in 2002.

Institutional Linkages and Population Dynamics

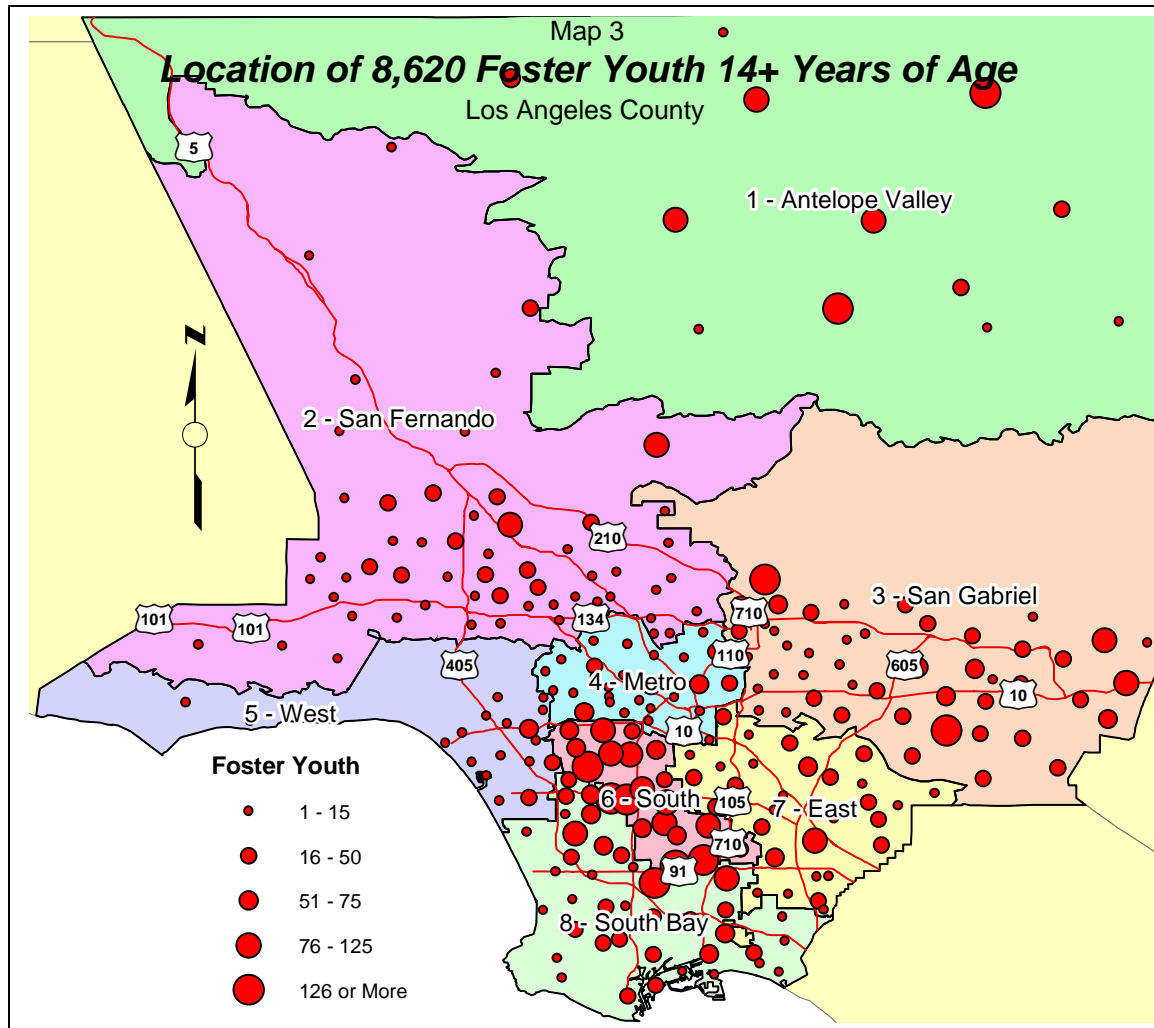
Institutional Linkages of Homeless Residents

Institutions that are involved in the lives of homeless residents provide points of connection for preventing and eliminating homelessness. They also represent focal points of responsibility for effectively and fully addressing the needs of individuals who are dependent on public care. In the last chapter we explored the role of public assistance programs in the lives of homeless residents. What other institutions are responsible for shaping the life course of homeless residents?

Youth



Many homeless youth are burdened by abusive or neglectful families in their past, and covert lives in the present - covert because they are considered too young to be on their own or because their survival strategies fall outside the law. This makes it harder to obtain information about homeless youth than about any other homeless group. We have used information about foster youth as a proxy for the overall homeless youth population because **foster youth have a very high rate of homelessness and make up a large share of homeless youth.**



Young people in the county's foster care system typically lack adequate family support, roughly one-fifth have significant disabilities or developmental problems, many have not completed high school, and yet current law "emancipates" these youth at 18, or in some cases 19, years of age. Emancipation means leaving the foster care system and making their own way in life. Roughly half become homeless. A strong service provider network for homeless youth has been built in Hollywood, but services for homeless youth are virtually nonexistent in all other areas of the county. **Testimony from community members in the Antelope Valley described emancipated foster youth living in foxholes they dig in fields.** Problems in the foster care system that result in homelessness among emancipated youth along with the absence of homeless services for youth in most communities other than Hollywood lead to at least three undesirable outcomes: (1) critical needs remain unmet, (2) youth are forced to join homeless adults to obtain services, (3) youth leave their communities and migrate to Hollywood to obtain services.

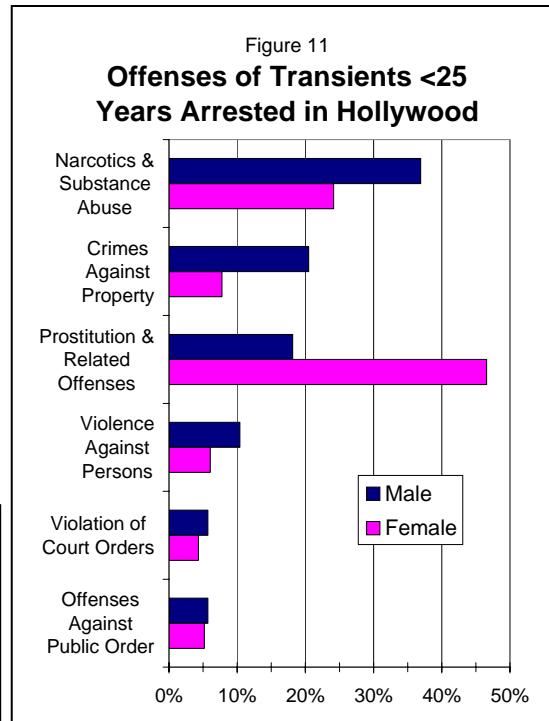
The greatest number of foster youth nearing emancipation is in South Los Angeles, with the next largest number in the San Gabriel Valley (Figure 10 and Map 3). As shown in Figure 10, these youth are nearly evenly divided between males and females. Half are African American, a third are Latino, one-seventh are European American, and 2 percent are other ethnicities. Seventeen percent of foster youth have special needs, which means that they are disabled or have other

Table 5
Age Progression and Arrest Charges

Transients 24 Years and Younger Arrested in Hollywood
October 1, 1999 to May 29, 2001; Offenses shown
represent 92 percent of 414 total arrests: 116 females and

Offense	Average Age	% of Female Arrests	% of Male Arrests
Parental Negligence	8.5	1%	2%
Incorrigible Youth	15.2	3%	1%
Vehicle Theft	16.8	1%	1%
Possession of Rock Cocaine	18.4	0%	2%
Possession of Coke/Heroin	19.2	3%	2%
Larceny	19.3	6%	6%
Carjacking	19.3	1%	1%
False I.D. to Police	19.5	1%	1%
Outstanding Charges/Convictions	19.8	1%	1%
Possession of Meth/LSD/Designer	19.8	2%	1%
Prostitution	19.8	46%	17%
Trespassing on Private Property	20.0	0%	1%
Drug Paraphernalia	20.2	2%	3%
Under the Influence	20.2	6%	8%
Robbery	20.3	4%	6%
Malicious Mischief	20.6	1%	6%
Assault and Battery	20.6	1%	3%
Forgery	20.7	0%	1%
Lewd Exposure	20.7	1%	1%
Unlawful Possession of Weapon	20.8	1%	1%
Burglary	20.9	0%	5%
Possession of Marijuana	20.9	0%	5%
Failure to Appear in Court	21.1	3%	3%
Possession of Drugs for Sale	21.1	2%	7%
Transporting Marijuana	21.5	1%	2%
Drinking while on Probation	22.0	7%	4%
Public Intoxication	22.0	0%	1%
Parole Violation	22.8	0%	1%

*Arrest data provided by Los Angeles Police Department
and analyzed by Economic Roundtable*

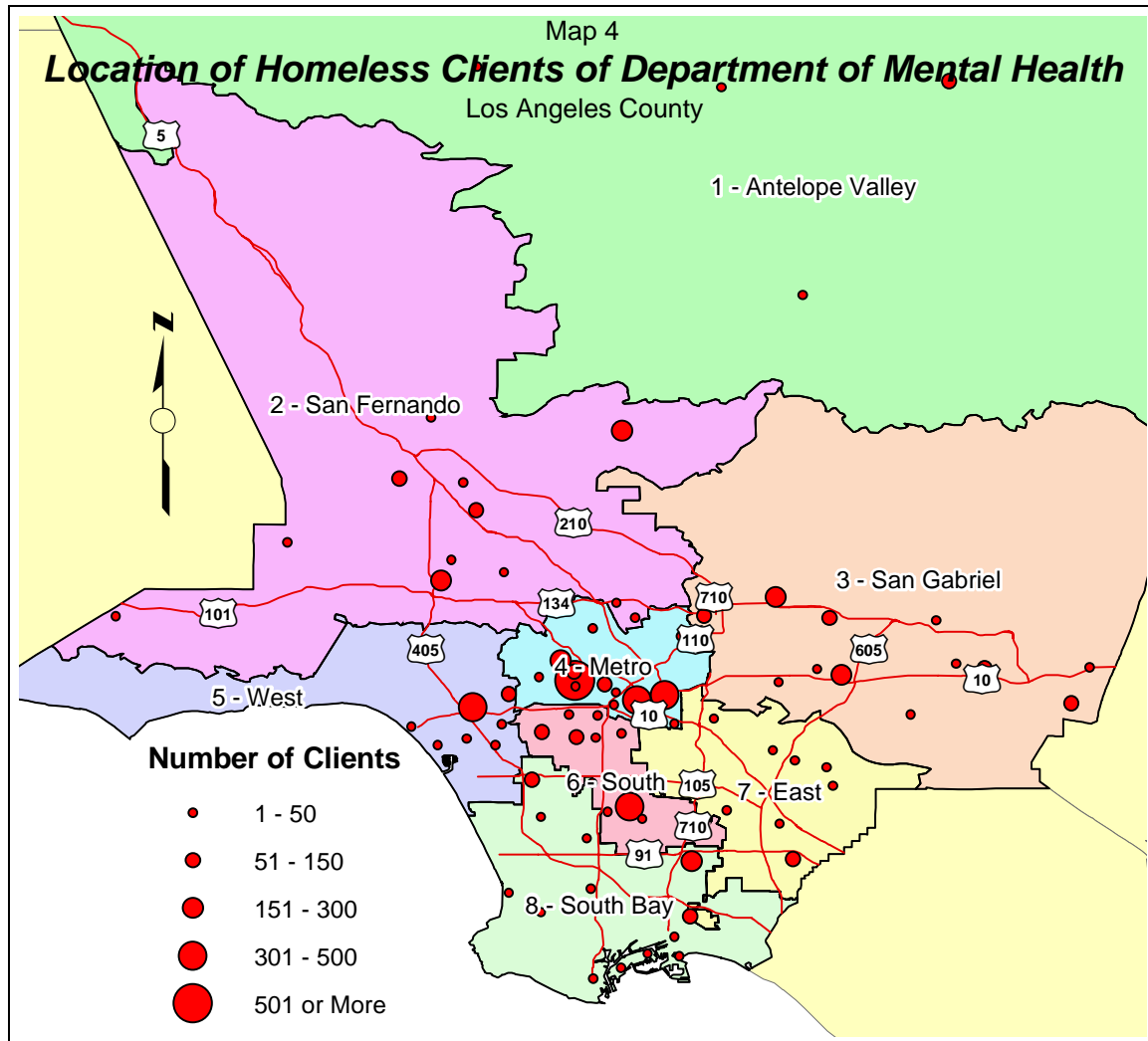


serious limitations on their ability to live independently.

13.

Roughly half of homeless youth are estimated to become involved with the justice system. A review of arrest data for homeless youth in Hollywood showed that the most frequent reason for arrest is prostitution, accounting for 46 percent of all female arrests and 17 percent of all male arrests (Figure 11). Among the youth arrested, 28 percent were females and 72 percent were males.

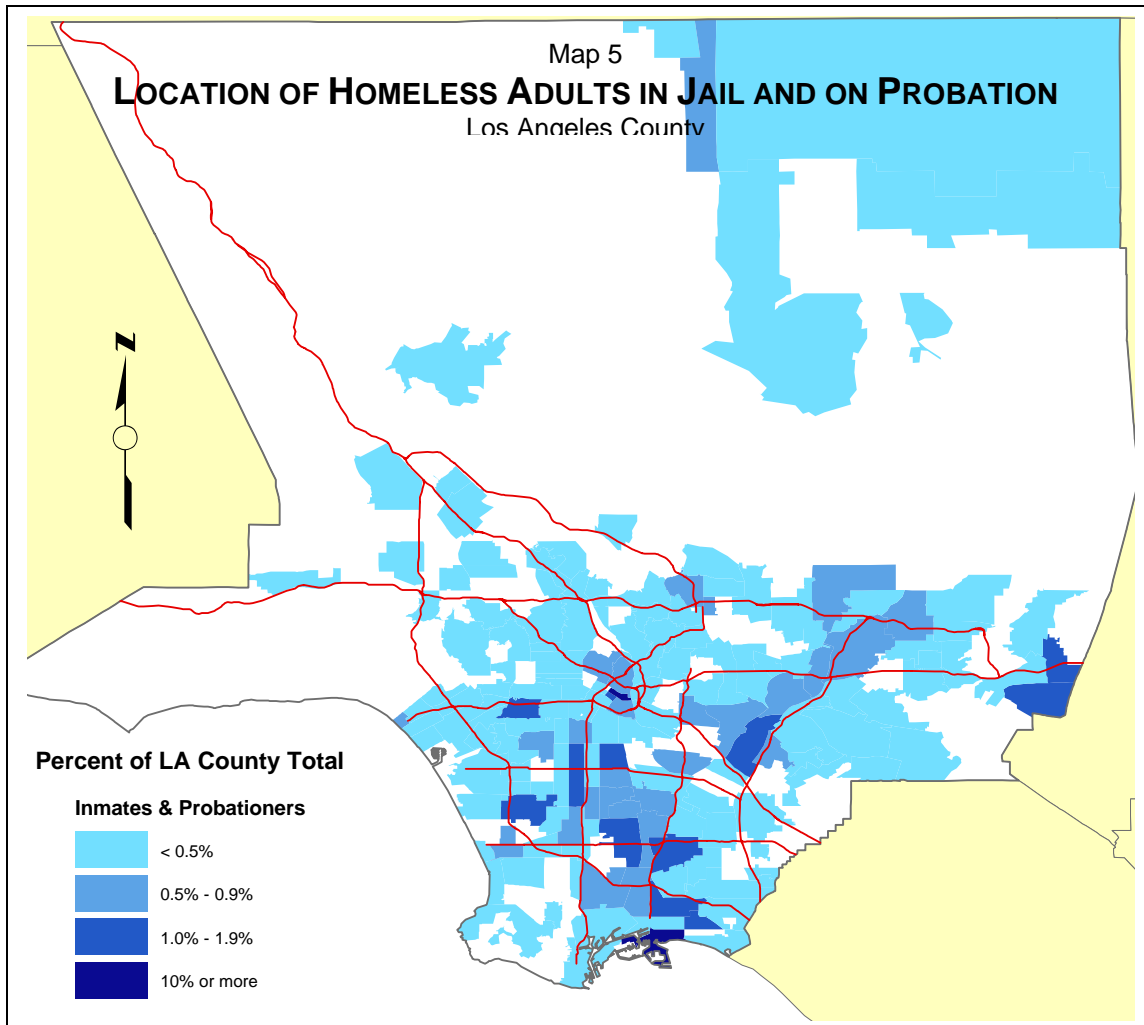
As they grow older, many homeless youth become progressively more entangled in the criminal justice system. In this progression youth move from being neglected to being incorrigible, to theft and possession of drugs, to prostitu-



tion, to sales of drugs and violent crimes, and to further cycles of recidivism (Table 5). These crimes are predominantly self-destructive, an outcome of the energies and yearnings of youth pitted against life experiences that for many have inculcated cynicism, despair, fatalism, and a consequent gravitation to near-term opportunities rather than long-term goals. **The involvement of the justice system in the lives of homeless youth presents an opportunity to use the power of the courts to provide restorative justice by ensuring that critical services are available to, and fully utilized by, homeless youth.**

Mental Illness

Mental disorders prevent people from carrying out essential aspects of daily life, including caring for themselves and maintaining interpersonal relationships. Homeless people with mental disorders remain homeless for longer periods of time



and have less contact with family and friends. They encounter more barriers to employment, tend to be in poorer physical health, and have more contact with the legal system than homeless people who do not suffer from a mental disorder. Mentally ill homeless residents who are receiving services from the county Department of Mental Health are highly concentrated in the downtown area, as shown in Map 4. **The lack of stable, supportive housing in their own communities appears to cause many mentally ill and indigent residents to migrate to the anonymous public spaces and emergency service available downtown.**

Jail Inmates and Probationers

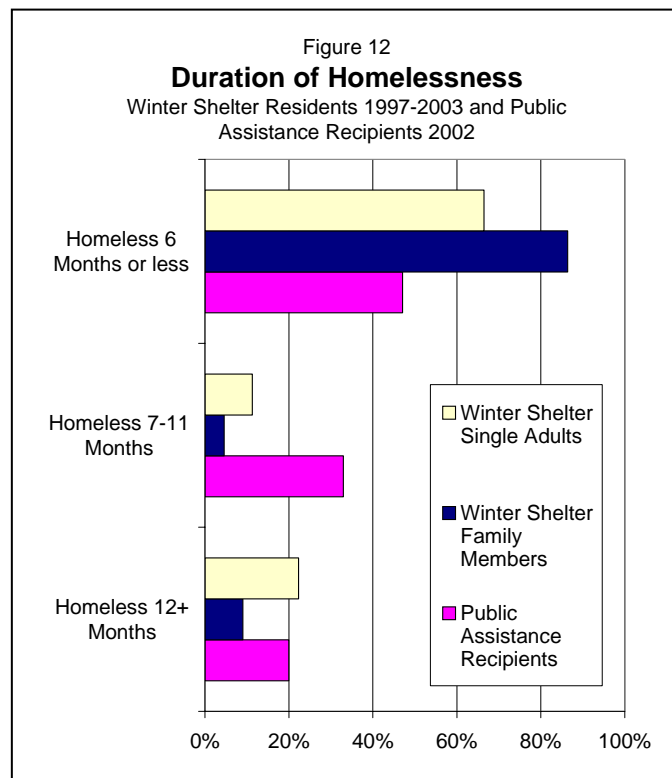
We have only limited information about the location of homeless residents with justice system linkages. By combining information about 246 homeless adults who are on probation and have identifiable locations (out of a reported total of 1,202 homeless probationers) with information about the last address of 376

homeless jail inmates we can begin to see the geographic distribution of homeless adults who are involved with the justice system. This data is shown in Map 5. It suggests that the highest concentrations of homeless residents charged with breaking the law is around the urban centers of Los Angeles and Long Beach, with secondary concentrations in South Los Angeles, East San Gabriel Valley, and Pomona. **The justice system has a particularly important role to play, not only in preventing the harm done by crime but also in ensuring that services are provided to restore homeless residents as whole, contributing members of society.**

POPULATION DYNAMICS

Duration of Homelessness within the Point-in-Time Population

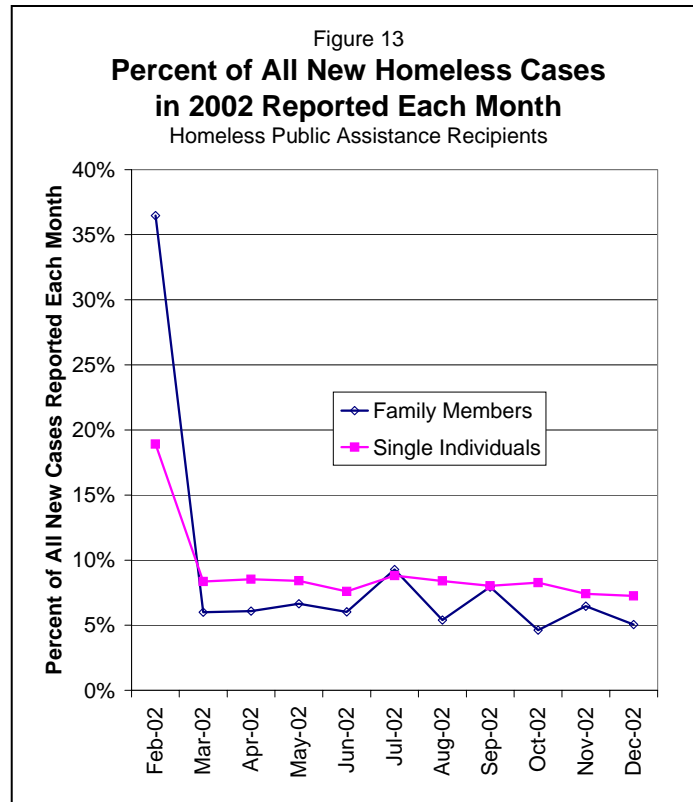
Only about one-fifth of the point-in-time homeless population reports having been homeless for a year or longer, as shown in Figure 12. We have information from two sources about the duration of homelessness. One source is the Winter Shelter program, broken out by single adults and families. The other source is case records for public assistance recipients.¹ Both data sources show about four-fifths of the point-in-time homeless population being homeless for less than a year, but different proportions being homeless for 1 to 6 months versus 7 to 11 months.² A large majority of Winter Shelter residents (86 percent of family members and 66 percent of single adults) report having been homeless for 6 months or less. A plurality of public assistance recipients (47 percent) report having been homeless for 6 months or less, but a comparatively large number (33 percent) report having been homeless 7 to 11 months. We do not have an explanation for the difference between the two data sources in terms of how many report being homeless 6 months or less versus 7 to 11 months. This may reflect a difference between the two populations, or a difference in



how data is captured. It is significant that both sources show about a fifth of the point-in-time homeless population being homeless for a year or longer. This population is sometimes called chronically homeless and these individuals and families often face greater challenges in escaping homelessness.

Monthly New Cases of Homelessness

Using the case records of public assistance recipients it was possible to identify the distribution of new homeless cases over the calendar year of 2002. We did this by identifying the month in which an individual or family first reported being homeless. This method resulted in excluding January cases, because it was not possible to determine if they were new cases or carry-over cases from 2001. Looking at the 11 months of February through December 2002 shown in Figure 13 we see that **a large wave of homelessness appears to emerge at the beginning of the year**. Thirty-six percent of homeless families and 19 percent of homeless single individuals first report being homeless in February, with the remaining new cases distributed relatively evenly over the balance of the year.



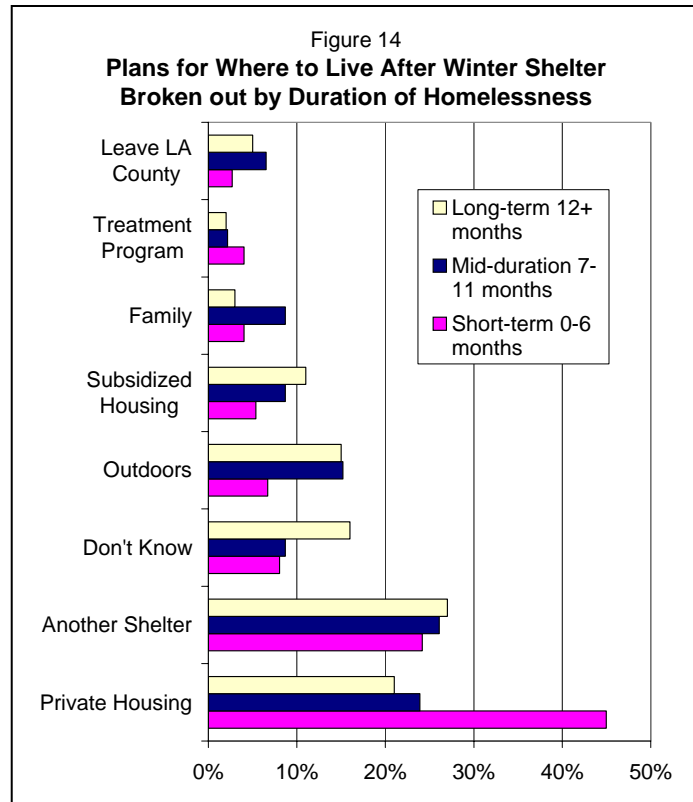
We do not know why so many families receiving public assistance appear to become homeless at the beginning of the year. Part of the explanation may lie in end-of-year lay-offs. It is also possible that the timing of case management reviews of public assistance programs affects this outcome. This issue merits further investigation. Based on the information we now have it appears that it would make sense to pay particular attention to preventing the entry or re-entry of families into homelessness at beginning of the year.

Future Plans

A research survey of single adults in the Winter Shelter program in 2002 obtained responses to a unique set of questions, including where respondents

planned to live after they left Winter Shelter.³ Responses about their future plans are overlaid on information about duration of homelessness in Figure 14. Highlights include:

- Individuals who are short-term homeless are most likely to expect to return to private housing.
- There is a low level of expectation among all homeless groups that their families will take them in.
- The highest level of uncertainty about the future (“don’t know”) is found among those homeless 12 months or more.
- Roughly one-quarter of all groups plan to relocate to another shelter.
- Roughly 4 percent plan to leave Los Angeles County.
- Roughly 3 percent plan to go into a treatment program – a very low percent given that almost one-fifth said that drug or alcohol abuse caused their homelessness.



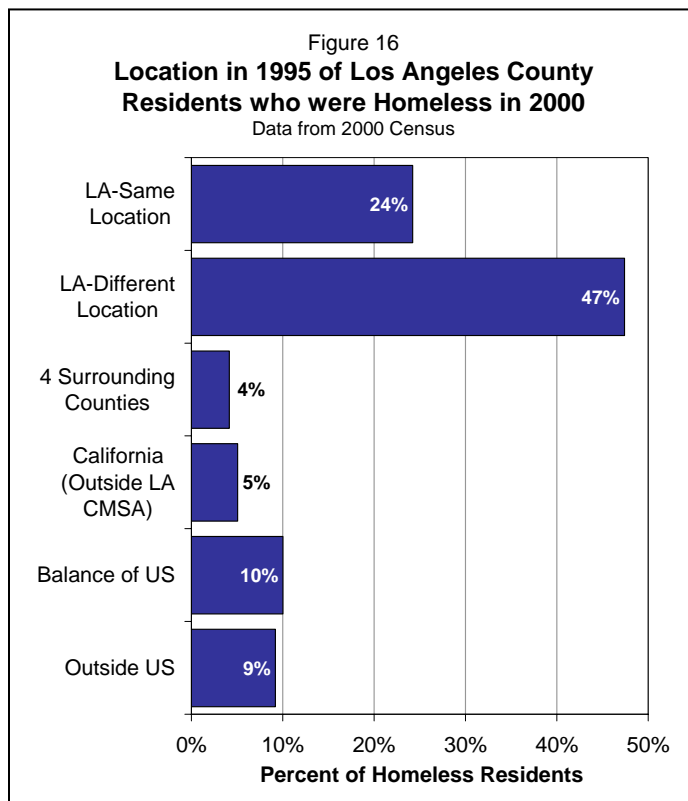
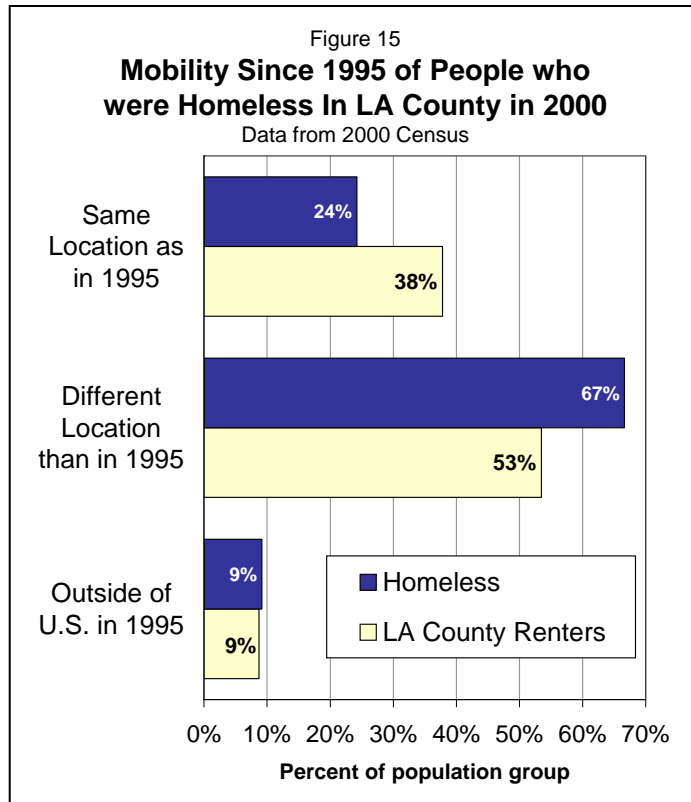
Mobility of Homeless Residents

Using a special Census Bureau data set (the Public Use Microdata Sample - PUMS), we were able to isolate responses of homeless residents about where they lived five years ago. It should be noted that the Census over sampled people in shelters, and consequently is skewed toward single adults who are long-term homeless. We approached this data in two ways. First, all of the individuals who were homeless in Los Angeles County at the time of the 2000 Census were identified along with information about where they were five years ago. Second, all of the individuals who were homeless in the rest of the continental United States at the time of the Census and who lived in Los Angeles County five years ago were identified. This information makes it possible to identify the number of homeless people in 2000 that:

- Resided in Los Angeles County in 2000 as well as in 1995

- Resided in Los Angeles County in 2000 and outside of the county in 1995
- Resided outside Los Angeles County in 2000 but in the county in 1995

One of the notable characteristics of homeless people is a high rate of residential mobility. The mobility rate from 1995 to 2000 of Los Angeles residents who were homeless in 2000 is shown in Figure 15. A large majority (76 percent) lived at a different location in 1995 than in 2000. In contrast, 62 percent of the county's renter population lived



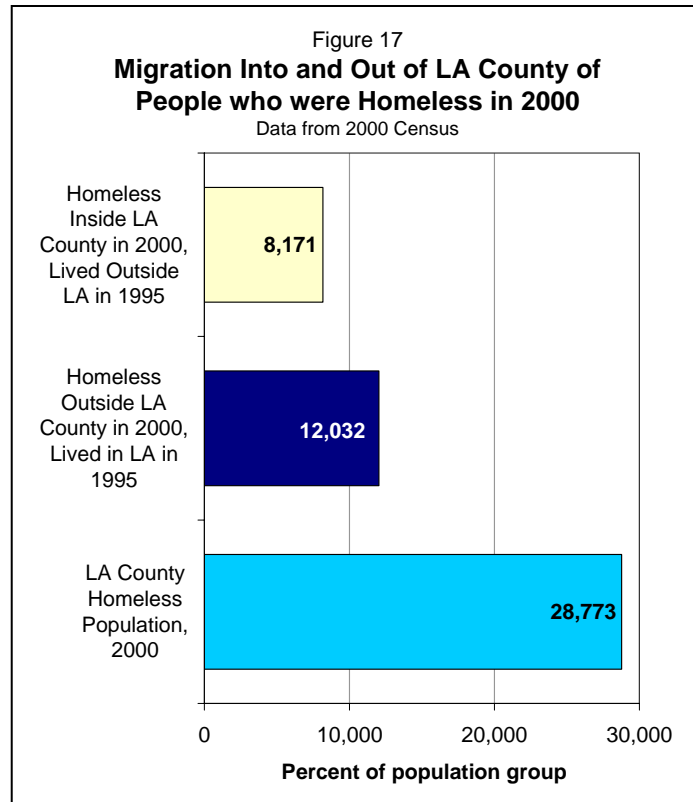
in a different location 5 years earlier. Almost one-quarter of homeless residents lived in the same location. Nine percent of both homeless residents and the overall renter population lived outside the United States five years ago.

The mobility of homeless residents from 1995 to 2000 is shown in more detail in Figure 16. While some people moved rather long distances between 1995 and 2000, three-quarters of homeless residents either remained stationary or moved within the 5 County Los Angeles CMSA (the LA CMSA includes Ventura, Los Angeles, Or-

ange, Riverside and San Bernardino Counties). One-fifth of homeless residents moved to Los Angeles County from outside California (including foreign countries).

The data outlined so far give us a picture of the residential mobility of homeless people living in Los Angeles in 2000. However it does not tell us anything about people who left Los Angeles between 1995 and 2000, and were homeless in another part of the United States in 2000. We used PUMS data to generate an estimate of the migration flow in and out of Los Angeles County of people that were homeless in 2000.

The raw numbers of people that are homeless in 2000 are displayed in Figure 17 by their location in 2000 and in 1995. Roughly 28 percent of the homeless population living in Los Angeles County in 2000 (or 8,171 people) lived outside the county in 1995. Outside of Los Angeles County, there were 12,032 people homeless in 2000 that lived in the county in 1995.



It appears that Los Angeles County was a net generator of homeless persons in the second half of the 1990s. More people that were homeless in 2000 left Los Angeles County between 1995 and 2000 than entered it. This ratio was notably tilted toward leavers - 1.5 times as many people that were homeless in 2000 left Los Angeles as migrated to Los Angeles between 1995 and 2000. Los Angeles County has become a seedbed of homelessness for other regions. The 12,032 people who lived in Los Angeles County in 1995 and were homeless somewhere else in 2000 could be found in the following places:

- 59 percent were in the surrounding 4 counties.
- 10 percent were in other areas of California outside the 5-county Los Angeles region.
- 31 percent were in other regions of the United States.

SUMMARY OF FINDINGS

- Foster youth have a very high rate of homelessness and make up a large share of homeless youth.
- Testimony from community members in the Antelope Valley described emancipated foster youth living in foxholes they dig in fields.
- The greatest number of foster youth nearing emancipation is in South Los Angeles, with the next largest number in the San Gabriel Valley.
- Roughly half of homeless youth become involved with the justice system. This presents an opportunity to us the power of the courts to provide restorative justice by ensuring that critical services are available to, and fully utilized by, homeless youth.
- The lack of stable, supportive housing in their own communities appears to cause many mentally ill and indigent residents to migrate to the anonymous public spaces and emergency service available downtown.
- Homeless residents with mental health problems appear to be significantly over-concentrated in the downtown area.
- Although the data is sketchy, it appears likely that the highest concentrations of homeless residents charged with breaking the law is around the urban centers of Los Angeles and Long Beach, with secondary concentrations in South Los Angeles, East San Gabriel Valley, and Pomona.
- Only about one-fifth of the point-in-time homeless population reports having been homeless for a year or longer.
- A large wave of homelessness, particularly among families, appears to emerge at the beginning of the year.
- Los Angeles County has become a seedbed of homelessness for other regions of Southern California and the United States.

ENDNOTES

¹ The homeless flag in public assistance records is somewhat unreliable in that it may tend to over-state the duration of homelessness for some persons. This flag is activated when a person declares him or her self to be homeless and may remain in the file after the person is no longer homeless.

² In Chapter 6 we estimate that about 95 percent of the annual homeless population (in contrast to the point-in-time homeless population) is homeless for less than 12 months.

³ Jeannette Rowe, manager of the Emergency Response team for the Los Angeles Homeless Services Authority (LAHSA), designed and led this survey. Support in conducting and coding survey responses was provided by graduate students and faculty from California State University at Dominguez Hills and LAHSA staff. This data can be used to match individual characteristics with different patterns of homeless experiences.

Demographic Characteristics

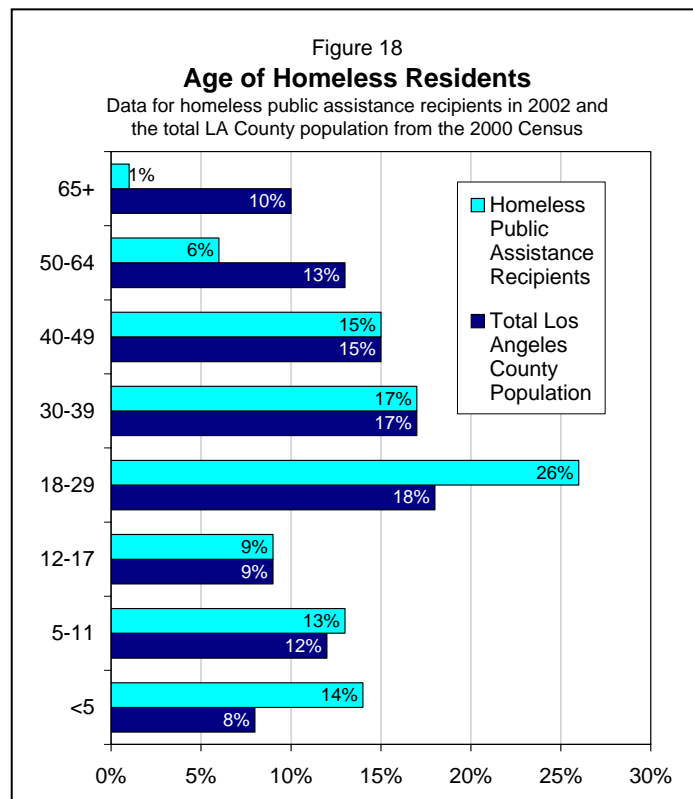
Who are Los Angeles' homeless residents? Are they people we might know? There is a comparatively rich body of information about the demographic composition of the homeless population. One limitation to bear in mind is that much of this data is from the 2000 Census and may not be fully representative of the homeless population because much of it was gathered in shelters, which skews it toward the long-term homeless. Still, it is possible to use this data to give a human face to many of Los Angeles' residents who have experienced homelessness.

AGE, SEX, ETHNICITY, AND FAMILY STRUCTURE

Age and Sex

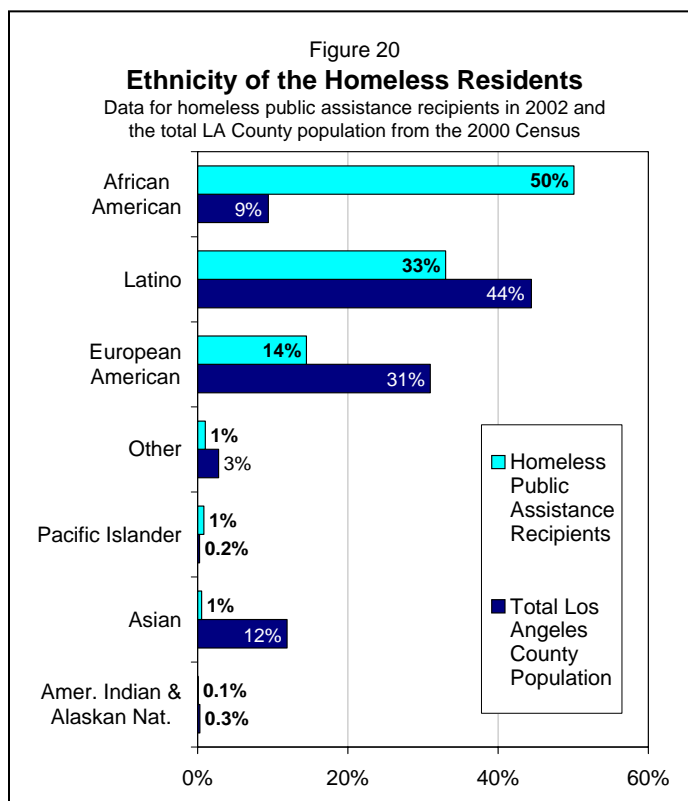
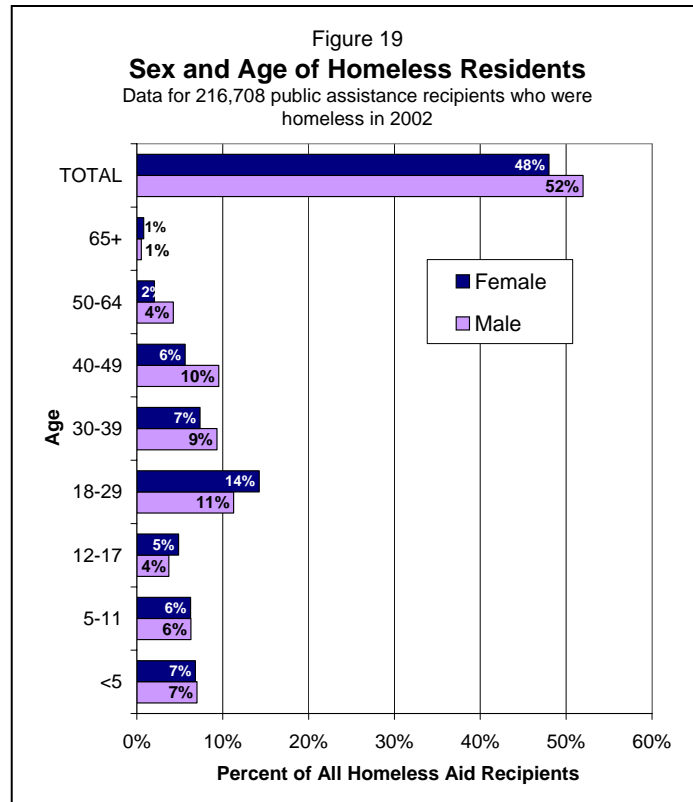
Among public assistance recipients who were homeless in 2002, 64 percent were working-age (18 to 64 years). Thirty-five percent were children. Only 1 percent was retirement age – 65 or older, as shown in Figure 18. As mentioned earlier, this data set provides the most representative overview of the homeless population, accounting for an estimated 85 percent of the county's homeless residents.

Homeless residents are substantially younger than the overall population of Los Angeles County.¹ Sixty-two percent of homeless residents, but only 47 percent of the overall population, are under 30 years of age. This difference is most noticeable in the age groups of children under 5 and young adults 18 to 29 years of age –



age groups that in combination describe young parents with young children. The fact that most homeless people have many potentially productive decades left before they reach retirement age suggests that there is time to help many individuals build viable career trajectories.

Females make up a majority of homeless residents less than 30 years of age, and outnumber males most noticeably in the 18 to 29 age range, as shown in Figure 19. Many of these homeless young women are single mothers accompanied by children. Males make up a majority of homeless resi-



dents 30 years or older. Overall, there are slightly more males than females (52 vs. 48 percent) in the annual populations of homeless public assistance recipients.²

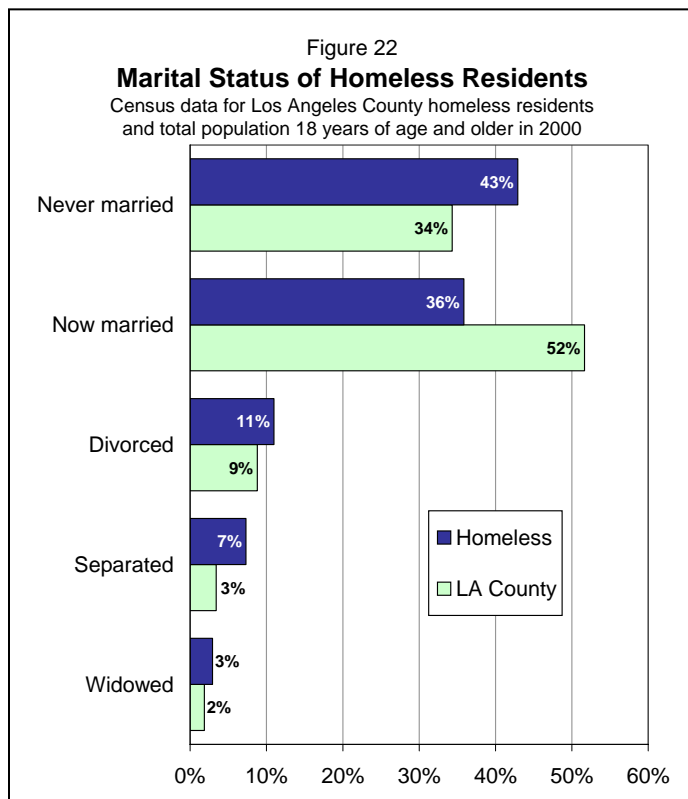
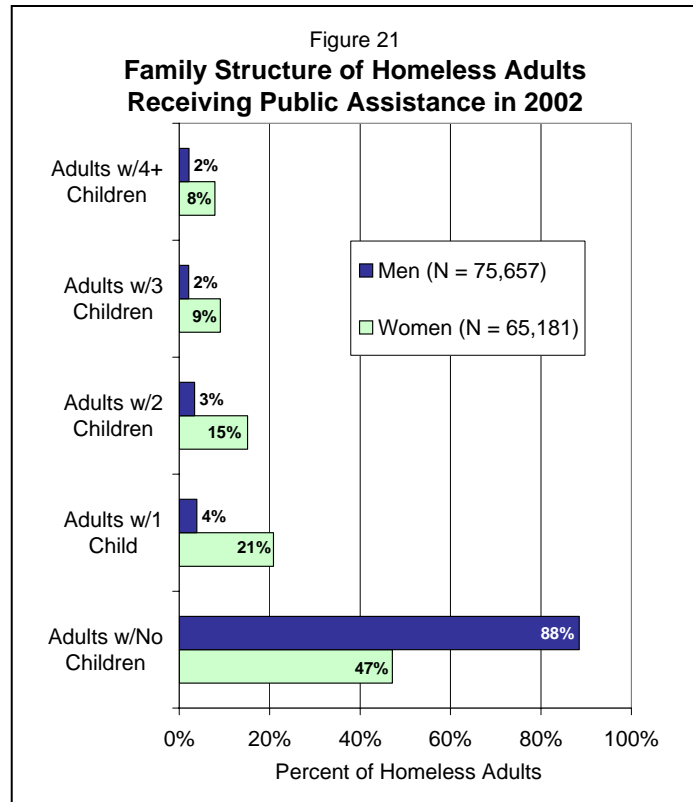
Ethnicity

The ethnic composition of homeless public assistance recipients is: 50 percent African American, 33 percent Latino, 14 percent European American, with the remaining 3 percent being composed of Asians, Pacific Islanders, Native Americans, or unidentified persons, as shown in Figure 20.³ African Americans have the highest proportional

difference between their share of the County population and their share of the homeless population. African Americans are over-represented by a factor of 5 in the county's homeless population.⁴

Family Structure and Marital Status

Children accompanied 31 percent of homeless adults who received public assistance, as shown in Figure 21. There is a significant difference between men and women in terms of their roles as active parents. Children accompanied 53 percent of women, but only 22 percent of men. A single



parent that is a woman heads most homeless families, and often she receives cash grants from CalWORKs. Most men are single adults, and some receive much smaller cash grants through General Relief. Only 6 percent of homeless adults who received public assistance were in two-parent families, and another 6 percent reported that they were married but separated or in the process of divorcing.

The Census sample of homeless adults shows a significantly higher percent of married homeless adults than the data set of homeless public assistance recipients.⁵ In

Figure 22 we see that the 35 percent of the Census sample of homeless adults was married, versus 12 percent in the public assistance sample, if we add in people who were separated or divorcing. It is possible that the Census sample provides more reliable information about marital status because this information is not influenced by the child support considerations that accompany family status information provided by applicants for public assistance.

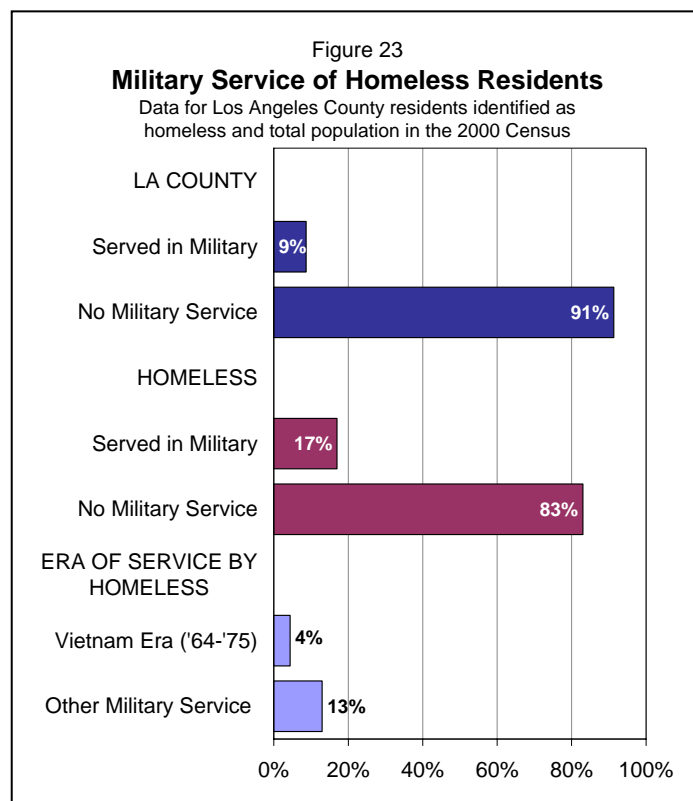
If one considers the rate of divorce and separation together as a measure of marital dysfunction, the rate of marital dysfunction for people identified as homeless in the 2000 Census is 33 percent higher than for the county overall. The relatively high rate of marital dysfunction means that homeless individuals have less access to encouragement and support from marital partners, immediate family members or extended family members.

It is often the case that single homeless persons or those experiencing marital dysfunction have essentially “run out” of family.⁶ Some, such as persons raised in the foster care system, may have no family. Others may have worn out their welcome. Still others may have become homeless because of their family – for example, women fleeing domestic violence. This suggests that many homeless residents are in need of alternative socio-economic support networks.

MILITARY SERVICE, DISABILITIES, AND CITIZENSHIP

Military Service

A breakdown of the history of military service for the long-term homeless population is displayed in Figure 23. Seventeen percent of homeless adults identified by the Census reported a history of active military service. This is nearly double the 9 percent rate of military service for the total population of Los Angeles County.

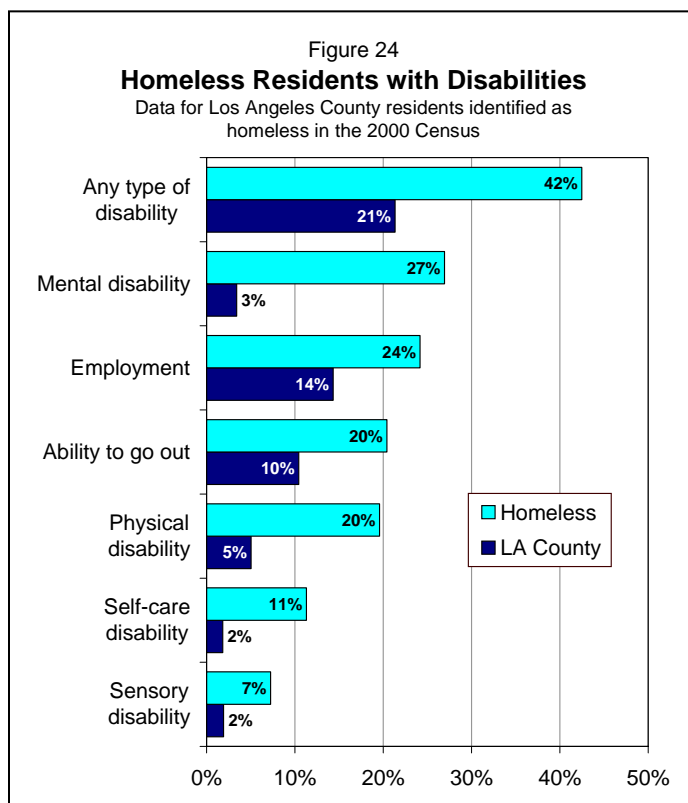


Of the 17 percent of homeless residents who are veterans, roughly one quarter (or 4 of all homeless residents) served during the era of the Viet Nam conflict. Homeless veterans that served during the Viet Nam War make up the largest single group of homeless veterans.⁷ According to the US Veterans Administration website, nationally there are currently more Vietnam veterans who are homeless than service personnel that died during the war.⁸

Veterans are also eligible for benefits through the US Veteran's Administration (VA). According to the VA website, they provide "the largest integrated network of homeless treatment and assistance services in the country".⁹ Services include outreach, clinical assessment and referral, long-term sheltered transitional assistance, case management, rehabilitation, and supported permanent housing. In instances when homelessness residents are veterans, both public and private homeless services organizations should assist these residents in aggressively pursuing benefits through the U.S. Veteran's Administration.

Disabilities and SSI Benefits

Forty-two percent of homeless residents in Los Angeles County report some type of disability. This is double the disability rate reported by the total population of the county, as shown in Figure 24. The 2000 Census provides data about six



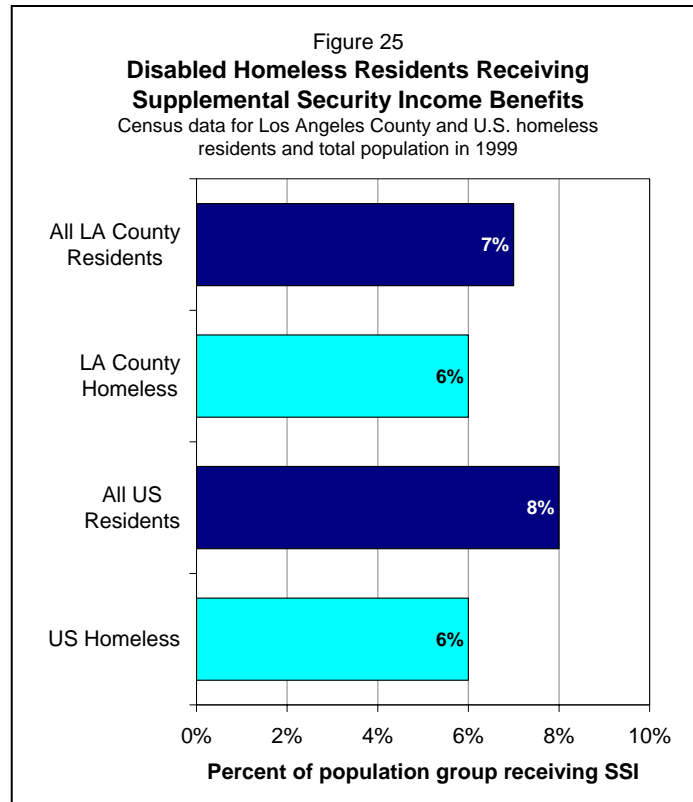
types of disabilities: mental disability, employment disability, ability to go out, physical disability, self-care disability, and sensory disability. A person was defined as disabled if they suffered from a physical, mental or emotional condition related to one of these types of disabilities for six months or longer.

Homeless residents report above-average prevalence rates for every type of disability. The most frequently reported disability is mental – reported by 27 percent of homeless residents - a prevalence rate 9 times

higher than that of the overall population. This could include trouble learning, remembering or concentrating.

Nearly one quarter of homeless residents suffered from an employment disability. This includes any sort of mental, physical or emotional problem that might interfere with an individual's ability to work at a job or business.

One fifth of homeless residents report some sort of problem that limits their ability to complete basic physical tasks (a physical disability) such as walking, climbing stairs, reaching or lifting. Only 5 percent of the total county population reports a physical disability.



Eleven percent of the long-term homeless report difficulty with self-care activities such as bathing, dressing, or mobility within or outside their home. This is over 5 times the rate of 2 percent for the county.

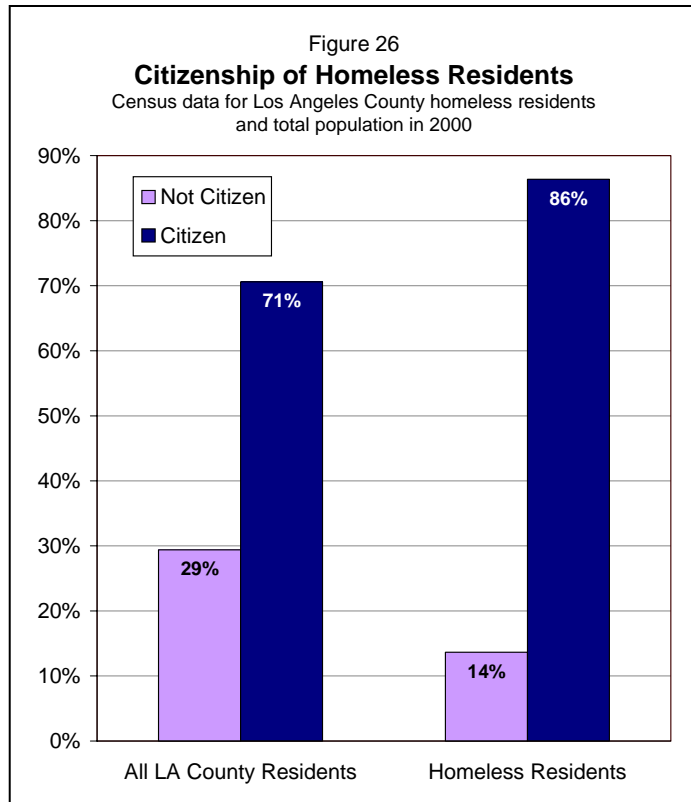
Only 6 percent of the disabled homeless population reported receiving Supplemental Security Income (SSI), as shown in Figure 25. SSI is a federal program administered through the Social Security Administration to provide a minimum level of income to needy aged, blind or disabled individuals. The homeless usage rate is surprisingly low given that Figure 24 shows 42 percent of homeless residents reporting some type of disability. The low enrollment rate in this program probably reflects the general difficulty of accessing SSI benefits as well as the limited ability of many homeless individuals to advocate effectively on their own behalf.

The SSI usage rate by disabled homeless individuals is slightly lower than the usage rate by the county's total disabled population, which is slightly lower than the usage rate by the total national disabled population, but it is the same as the national rate for disabled homeless persons. Despite the difficulty of enrolling in this program, it is a potential source of income maintenance for many homeless residents who are unable to support themselves through work. Competent,

persistent advocacy on behalf of eligible homeless residents is a cost-effective strategy for reducing homelessness.

Citizenship

Los Angeles County's homeless population is largely made up of people who are U.S. citizens. Figure 26 displays the citizenship of the long-term homeless population in Los Angeles County. As shown in Figure 26, 86 percent of homeless adults are citizens, compared to 71 percent of the county's overall working age population. Most homeless residents fully qualify for the citizenship requirements of public assistance programs.



As with citizenship, homelessness is largely a problem for native-born residents. Eighty-two percent of homeless residents identified by the Census were native born persons. In contrast, slightly over half of the total county population is native born.

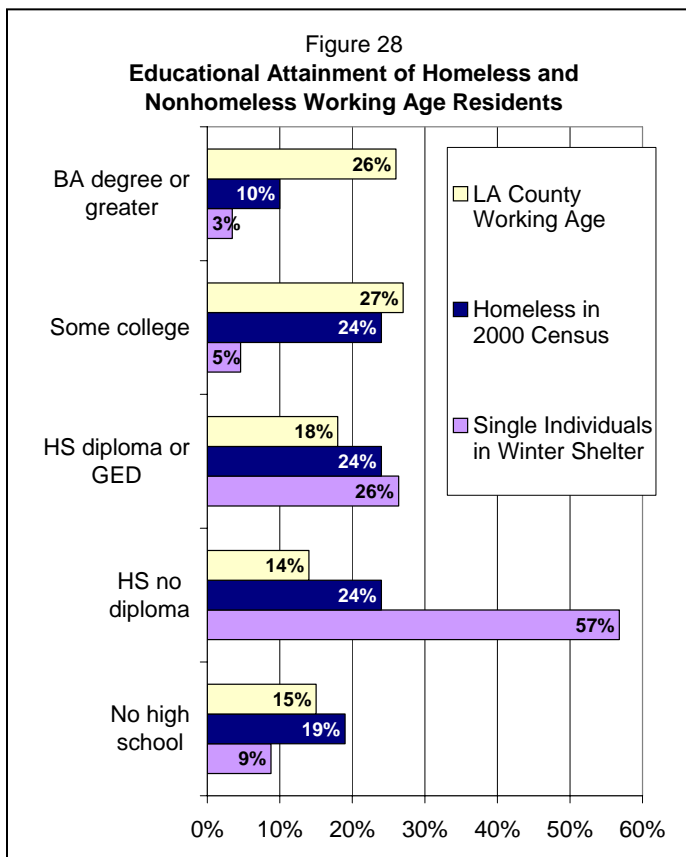
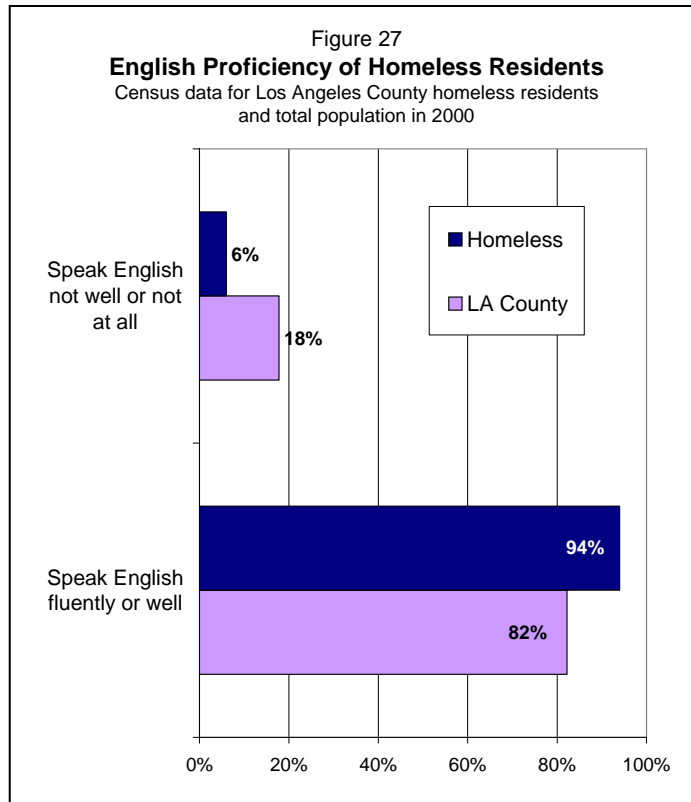
ENGLISH PROFICIENCY, EDUCATION AND POVERTY

English Proficiency

Given the large concentration of native-born citizens in the homeless population, most are fully proficient in English, as shown in Figure 27. Only 6 percent of homeless residents describe their ability to speak English as "not well" or "not at all," while 18 percent of working age persons in the overall county population describe themselves as speaking English "not well" or "not at all."

Education

Education is commonly considered a key to finding a good job and remaining self-sufficient. There is a very high correlation between the education of workers and their earnings. Figure 28 shows the educational achievement of the county's homeless residents identified through the 2000 Census as well as through the Winter Shelter program. Overall, Figure 28 shows that homeless have lower levels of education than the general working age population of the county. Only 29 percent of the county's total population of working-age adults does not have a high



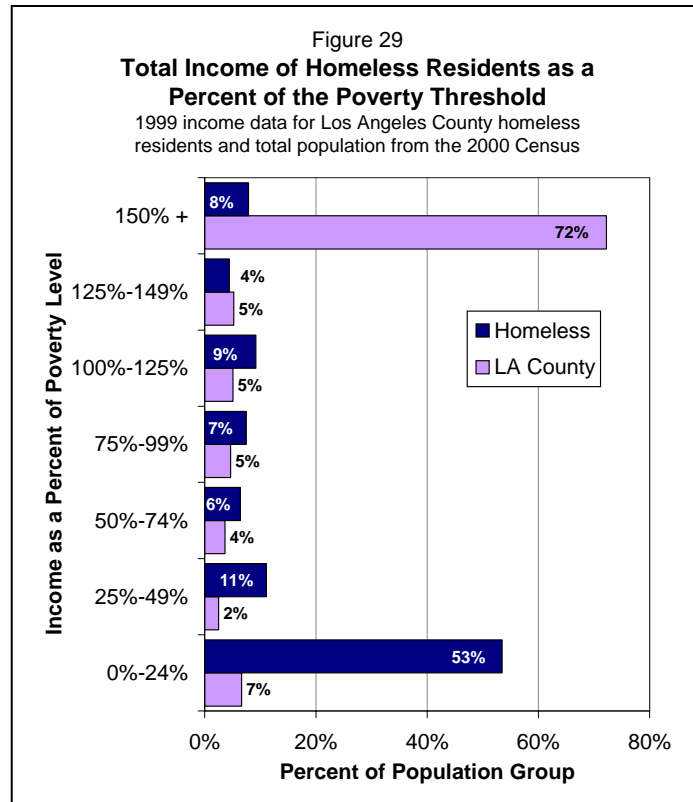
school diploma, whereas 43 percent of homeless adults identified by the Census and 66 percent of homeless single adults in the Winter Shelter program do not have high school diplomas.

At the higher end of educational achievement, 53 percent of the county's total population of working-age adults has had some level of exposure to college, whereas only 34 percent of homeless adults identified by the Census and 8 percent of homeless single adults in the Winter Shelter program have attended college.

Based on Census data, homeless women have slightly higher levels of educational achievement than men. Seventeen percent of homeless women have had an Associates or Bachelor's degree while 13 percent of homeless men have one of these degrees.

Poverty

As one might expect, homelessness is associated with high rates of poverty and dependence upon publicly provided income and support services. Figure 29 displays total income as a percentage of the federal poverty level for the homeless residents identified in the 2000 Census as well as the total county population. A value of less than 100 percent means a person is living below the federal poverty threshold. Over 75 percent of the homeless population had incomes below the poverty threshold in 1999, the year prior to being homeless. Over half of homeless residents (53 percent) had incomes of 24 percent or less of the federal poverty level. Just over one-fifth of the long-term homeless had total incomes above the federal poverty level in the year prior to being identified as homeless.



Compared to the overall county population, homeless residents suffer from very high poverty rates. While over three-quarters of the homeless live below the federal poverty threshold, 86 percent of the County population lives at or above the poverty threshold. Nearly three-quarters of working age people in the county have incomes of 150 percent or greater than the poverty threshold. It is important to emphasize that this data understates the level of acute poverty among homeless residents because the income data is for the year before most were homeless, and before the loss of jobs or public assistance benefits that caused many in this population to plummet into homelessness.

SUMMARY OF FINDINGS

Highlights from this profile of personal attributes of homeless residents include:

- Homeless residents are substantially younger than the overall population of Los Angeles County. This difference is most noticeable in the age groups of children under 5 and young adults 18 to 29 years of age – age groups that in combination describe young mothers with young children.
- African Americans are over-represented by a factor of 5 in the county's homeless population. All other ethnic groups are under-represented.
- Seventeen percent of homeless adults report a history of active military service. This is nearly double the 9 percent rate of military service for the total adult population of Los Angeles County.
- The rate of marital dysfunction for homeless adults is 33 percent higher than for the county overall, giving rise to a need for alternative socio-economic support networks.
- Forty-two percent of homeless residents report some type of disability. This is double the disability rate reported by the total population of the county.
- Only 6 percent of disabled homeless residents receive Supplemental Security Income (SSI) benefits – a federal program that should lift all disabled homeless residents out of poverty.
- 86 percent of homeless adults are citizens, compared to 71 percent of the county's overall working age population.
- Homeless residents are less educated than the overall county population – they are roughly 50 percent more likely to lack a high school diploma and 50 percent less likely to have attended college.
- Over 75 percent of homeless residents had incomes below the poverty threshold in 1999, the year prior to being identified as homeless. Over half (53 percent) had incomes that were less than one-quarter of the poverty threshold.

ENDNOTES

¹ The 2000 Census identified very few homeless children, but if we exclude that segment of the population and focus on the age distribution among adults (18-64 years) we can compare working age homeless public assistance recipients with working age homeless adults in the Census. When we make this comparison we see that homeless individuals identified in the 2000 Census were substantially older than homeless public assistance recipients, with a population bulge in the 50-64 year old range rather than the 18-29 year old range. We believe that the public assistance data set provides a more accurate age profile. Both age distributions are shown in the table below.

² If we look at the gender distribution within the working age homeless population (18-64 years) we see that the gender composition of homeless individuals identified in the 2000 Census was very similar to that of homeless public assistance recipients. The distribution of both populations by gender is shown in the table below.

³ If we look at the ethnic distribution within the working age homeless population (18-64 years) we see that homeless individuals identified in the 2000 Census have a somewhat different composition than homeless public assistance recipients. African Americans account for a comparatively larger share of homeless public recipients and European Americans account for a comparatively larger share of Census homeless. We believe that the public assistance data set provides a more accurate profile of ethnicity. The distribution of both populations by ethnicity is shown in the table below.

⁴ Based on the Public Use Microdata Sample from the 2000 Census, African Americans are over-represented by a factor of 3 in the homeless population, rather than a factor of over 5, as shown in the public assistance data set. We believe that the public assistance data set provides a more accurate profile of ethnicity.

⁵ If we look at the marital status within the homeless population 18 years of age and older we see that homeless individuals identified in the 2000 Census have a somewhat different composition than homeless public assistance recipients. The Census reports substantially more married individuals. Public assistance data shows substantially more people who have never married. We believe that Census data set provides a more accurate profile of marital status because it does not activate government collection mechanisms to recoup child support costs. The distribution of both populations by marital status is shown in the table below.

Distribution of Homeless Persons 18 Years of Age and Older by Marital Status

⁶ Ellwood, David T. 1996. *Poor Support*. Boston: Harvard University Press; Burt, M. et al. 2001. *Helping America's Homeless: Emergency Shelter or Affordable Housing?* Washington D.C.: The Urban Institute Press, p. 325.

⁷ Wright, James D., 1989, *Address Unknown: The Homeless In America*, New York: Aldine de Gruyter, pp. 63-64.

⁸ Veteran's Administration Internet site: <http://www.va.gov/homeless>, 9-19-03.

⁹ Veteran's Administration Internet site: <http://www.va.gov/homeless>, 9-19-03.

Escaping Homelessness through Work

Most people who experience homelessness are without shelter for only a few months. Most people obtain shelter through:

1. The income maintenance provided by a public benefits program such as CalWORKs or Supplemental Security Income.
2. Their own earned income.
3. Subsidized housing provided by a public or nonprofit housing program.

To the extent that more people achieve these positive outcomes and achieve them more rapidly, the homeless population will shrink and fewer people will sink into chronic homelessness. In this chapter we look at current benchmarks for the rate at which homeless residents escape homelessness through employment. We also have a small amount of information about the rate at which homeless residents are absorbed into public housing. This information helps answer such questions as:

- What share of the homeless population currently goes on to earn a sustainable income?
- What share of the homeless population has histories of earning a sustainable income?
- What share of the homeless population shows prospects of being able to earn a sustainable income?
- What kinds of jobs do homeless people typically find?
- What kinds of jobs provide a sustainable income?
- What share of the homeless population currently obtains subsidized housing?

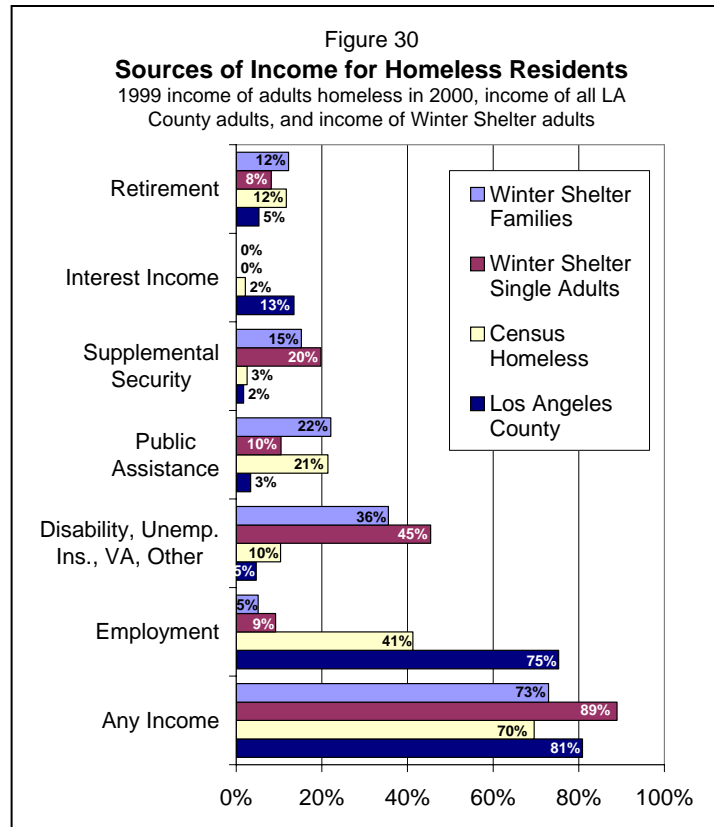
Answers to the first five questions help us estimate how many people can escape homelessness through employment and the kinds of help they need. The answer to the sixth question, for which we have only scant information, helps us estimate how much additional housing will be needed to provide shelter for people who are unable to obtain housing through a public income maintenance program or their own earned income.

SOURCES OF INCOME

We have information about sources of income for four groups that are shown in Figure 30: 1) income in 1999 for people who were identified by the Census as homeless in 2000, 2) income in 1999 for the entire Los Angeles County adult

population, 3) income of single homeless adults in the Winter Shelter program from 1997 through 2003, 4) income of homeless parents with children in the Winter Shelter program from 1997 through 2003. These different population groups enable us to compare:

- Sources of income before homelessness to sources when homeless (with the caveat that the Census and Winter Shelter homeless populations used for this comparison may not be identical).
- Sources of income for homeless single adults vs. parents with children.
- Sources of income for homeless persons compared to the overall population.



The most frequent source of income in 1999 for people the Census said were homeless in 2000 was employment - 41 percent had earned income. When we look at currently homeless people in the Winter Shelter program we see that only 5 percent of parents with children and 9 percent of single adults report earned income. It appears that Unemployment and Disability Insurance benefits replace employment income for many people after they become homeless. These are time-limited benefits. If they are exhausted and the recipient does not rejoin the labor force it is entirely possible that the individual will slide into chronic homelessness.

Only 22 percent of the homeless families in the Winter Shelter program report that they are receiving public assistance income. Possible reasons for why some families do not receive public assistance include mandated time limits or the imposition of financial sanctions on recipients who do not comply with program requirements. Elsewhere we estimate that 85 percent of the families that were homeless at some time in 2002 also received public assistance cash grants (CalWORKs) in 2002. The data shown in Figure 30 suggests that roughly two-thirds of families that are homeless have recently lost their public assistance benefits.¹

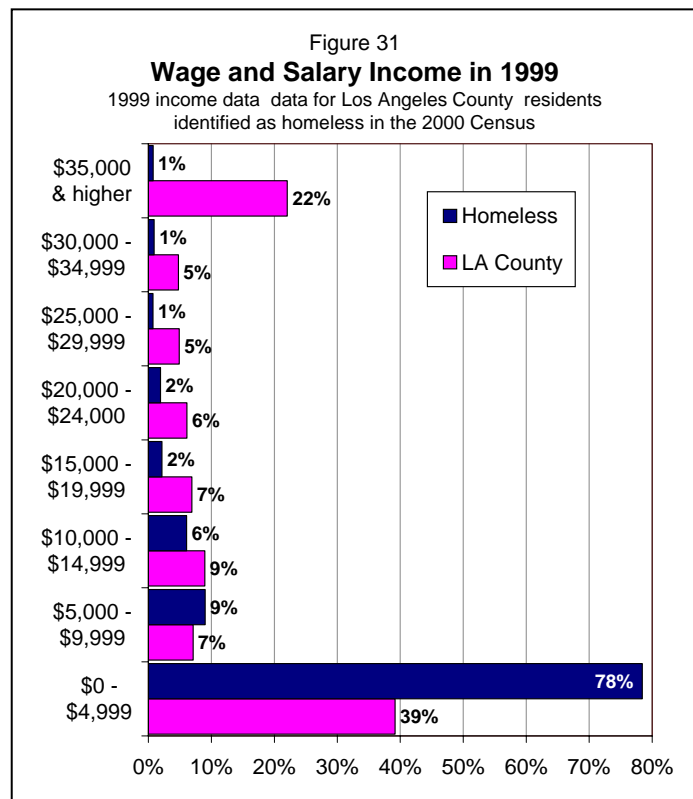
Twenty percent of homeless single adults in Winter Shelter report receiving Supplemental Security Income (SSI). This is much higher than the 3 percent rate reported by the Census for 1999, the year prior to being identified as homeless. It may be that concurrently with experiencing homeless roughly a fifth of single adults succeed in qualifying for income maintenance through SSI. This is still only half of the homeless that report being disabled, but if true it would represent significant headway.

Finally, it is noteworthy that the percent of homeless individuals reporting some source of income is roughly the same as that for the overall adult population of the county. The amount of income that homeless individuals receive falls far short of being sustainable, these remnants of connections to viable employment or public sector income maintenance represent the path out of homelessness for most people.

EMPLOYMENT

The ability to work and generate a sustainable income is the most straightforward path out of poverty, but it is a formidable challenge for many homeless individuals and an impossible challenge for some.

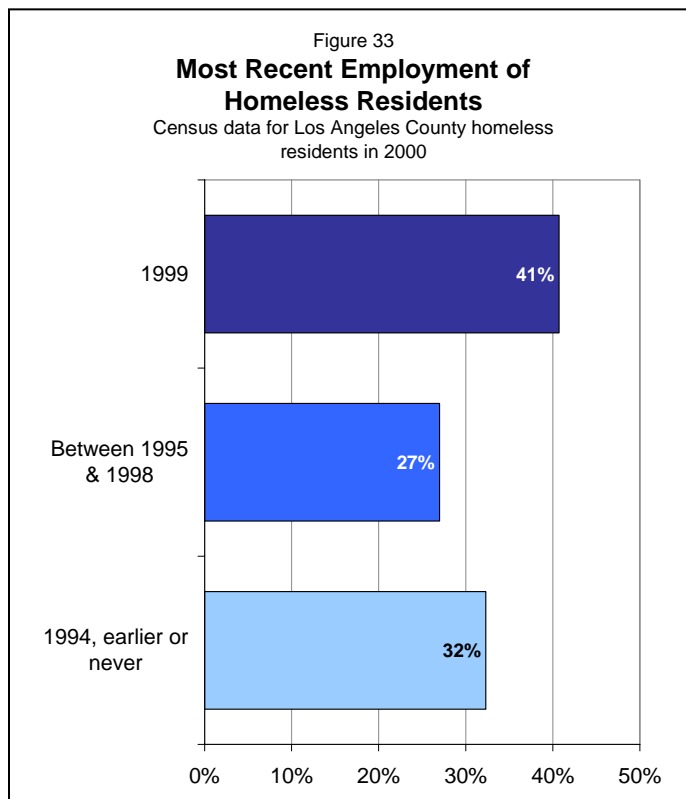
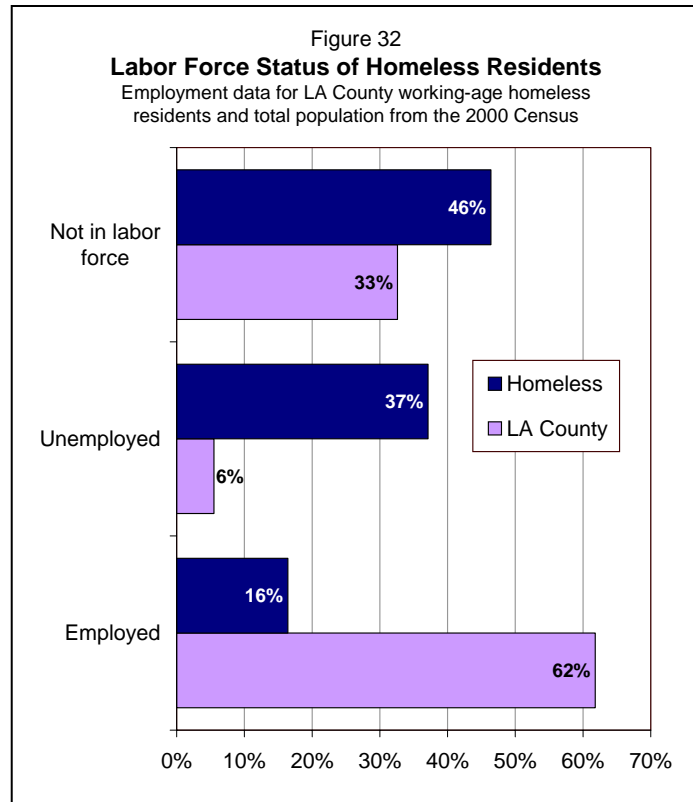
Figure 31 displays a wage and salary income breakdown for the homeless population in 1999, the year prior to being identified as homeless by the Census. This figure looks somewhat similar in form to Figure 29 in the previous chapter. There is a large concentration of the homeless population in low wage and salary income brackets. Over three-quarters earned less than \$5,000 in 1999, while only 39 percent of the working age population in the county had earnings in this range. Ninety-four percent of the homeless earned *less* that \$15,000, while 45 percent of



the working age population in the county earned *more* than \$15,000. Even looking at the year prior to being identified as homeless, when many were still employed, the vast majority of this population had sub-poverty earnings. Many have work histories, but few have histories of sustainable earnings. A variety of employment-related services will be needed to improve this outcome.

WORK HISTORIES

Disconnection from the labor market is one of the hallmarks of homelessness. Figure 32 shows the labor force status



and employment rate² during the time of the 2000 Census for Los Angeles residents identified as homeless as well as the total county working-age population. Only 16 percent reported that they were employed. This is down from the 41 percent employment rate in the year preceding the Census shown in Figure 30.

The overall employment rate for Los Angeles County was much higher – 62 percent of the working age population reported being employed at the time of the Census in 2000. The homeless unemployment rate

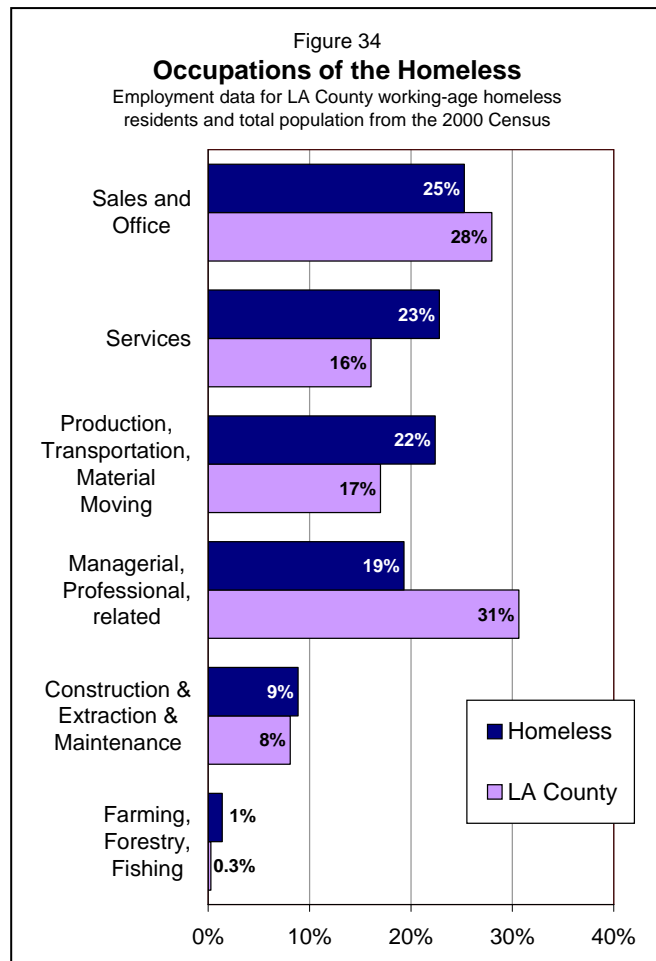
was quite high relative to the county. While the unemployment rate for the County was 6 percent, the homeless rate was more than six times higher - 37 percent.

In addition, **nearly half of homeless adults said they were not in the labor force, compared to one-third of the overall working-age county population.** This means that they were not employed at the time of the Census and they were not actively seeking employment during the four weeks preceding the Census.

An employment history indicates than an individual has better prospects for becoming self-sufficient through a job. People that have a work history are likely to have a better understanding of the workings of the labor market and the life style associated with maintaining a job. Figure 33 breaks out the Census homeless population by their history of employment. **A large share of homeless adults (41 percent) worked in the previous year (1999). This suggests that for them, employment may be a possible strategy for escaping poverty.** A larger proportion (68 percent) has employment histories from the years 1995 through 2000. Nearly one-third of the population (32 percent) has not worked since 1994 or has no history whatsoever of employment. This third group is likely to have the worst prospects for becoming self-sufficient through employment because of their lack experience in the labor market.

OCCUPATIONS AND INDUSTRIES

A breakout of the homeless population identified in the 2000 Census by the occupation they last held is shown in Figure 34.³ A comparison of Figure 34 with Table 6 shows that nearly half of homeless residents (46 percent) worked in occupations that typically paid the lowest wages in 2002. These occupations include Farming, Forestry & Fishing, Service Occupations, and Produc-



tion,
Transportation and
Material Moving
Occupations.

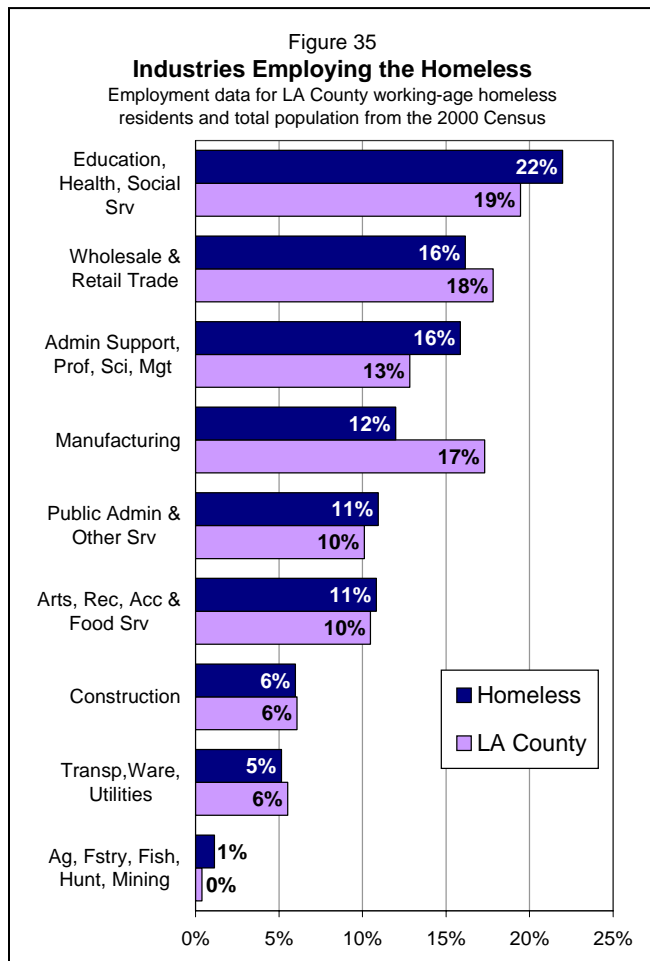
This high concentration of homeless workers in the lowest paying occupations suggests that simply finding a job, any job, is not a complete solution to the problem of homelessness and

Table 6

Los Angeles County Hourly Wages by Percentile and Occupation Group, 2002

Occupation Group	Weighted 25th	Weighted Median	Weighted 75th	Difference (75th - 25th)
Farming, Forestry, Fishing Service	\$7.00	\$8.49	\$10.79	\$3.79
Production, Transportation, Material Moving	\$7.46	\$9.20	\$13.01	\$5.55
Sales & Office	\$7.53	\$9.67	\$14.46	\$6.93
Construction, Extraction, Maintenance	\$9.69	\$12.92	\$18.16	\$8.48
Management, Professional, Related	\$11.54	\$16.78	\$23.46	\$11.92
	\$18.76	\$26.98	\$37.33	\$18.57

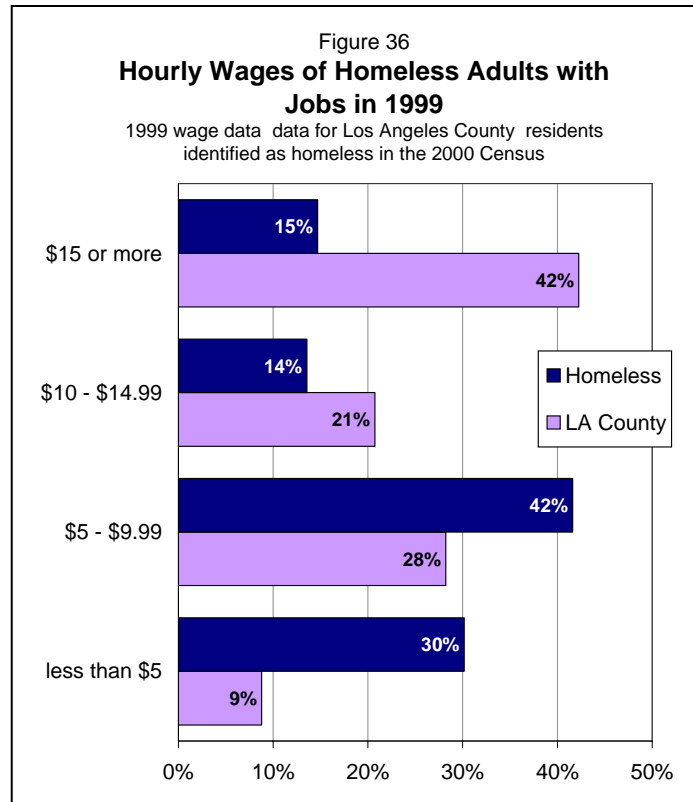
Source: CA EDD Labor Market Information Division public data:
[http://www.calmis.ca.gov/file/occun\\$/oeswages/LA\\$oes2002.htm](http://www.calmis.ca.gov/file/occun$/oeswages/LA$oes2002.htm)



poverty. Clearly, a desirable employment solution will provide a living wage. A living wage should provide an annual salary that is at least 150 percent of the federal poverty level. For a single, working-age adult the 2002 poverty threshold income was \$9,359 a year; for a family of three (1 parent, 2 children), it was \$14,474. This represents a living-wage salary range of \$18,718 to \$21,741, depending on household size. This converts to an hourly wage range of \$9.55 to \$11.09.⁴ According to Table 6, Farming Forestry and Fishing, and Service occupations have median wages below the living-wage level for a single adult. Production, Transportation, and Material Moving jobs have median hourly wages below the living wage level for a parent with two children.

These low-paying occupations provide little opportunity for wage advancement.

Table 6 shows the difference between 25th percentile and 75th percentile wages for the major occupation groups. The three occupation groups that offer the lowest median wages are also the ones that display the smallest difference between the 25th percentile and 75th percentile hourly wages. In other words, people that work at these occupations can expect little improvement in their wages over time, though for Service Occupations and Production, Transportation and Material Moving Occupations, the 75th percentile wages did rise above the living wage level of \$11 for 2002.



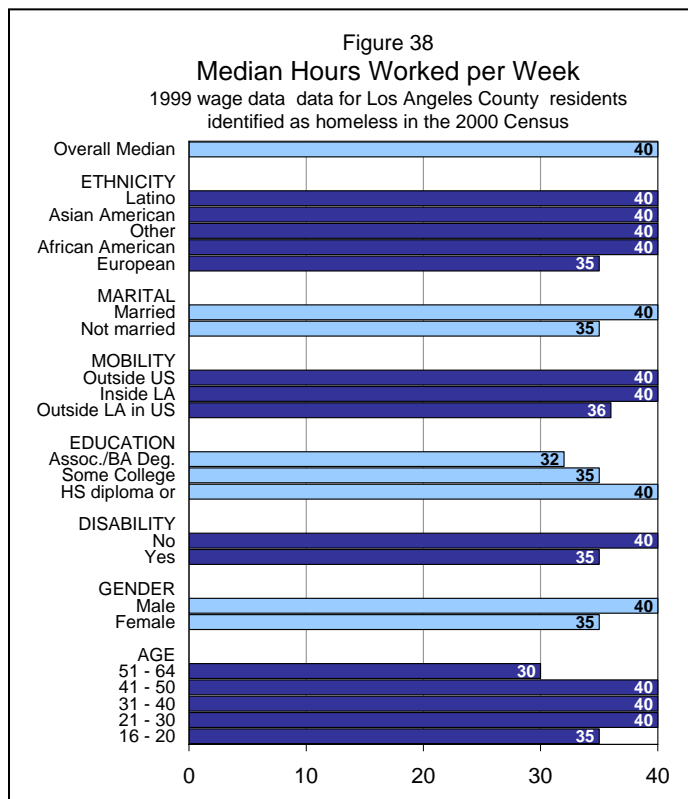
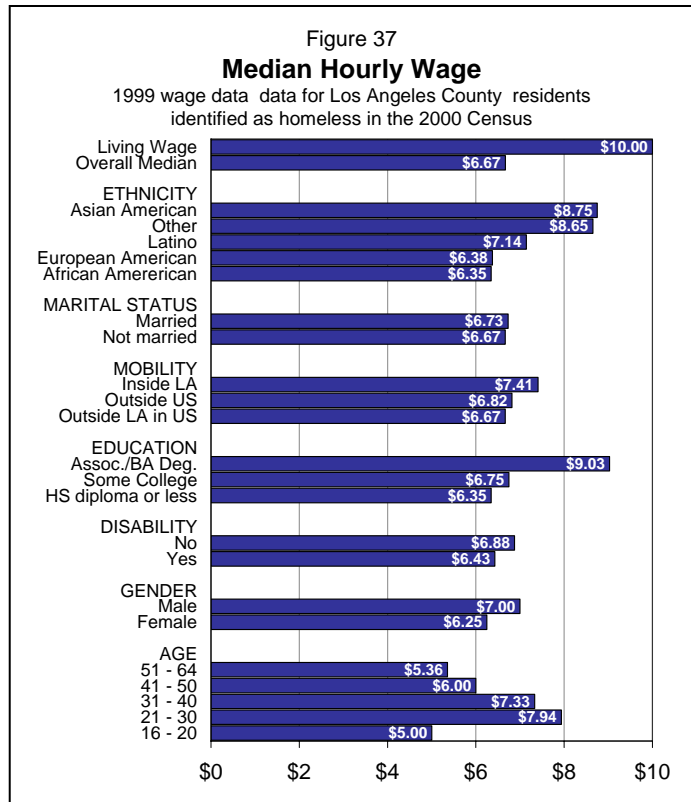
The distribution of homeless workers among major industry groups is shown in Figure 35. Seen at this level of industry aggregation, their distribution very similar to that of the total county labor force, with 38 percent in Services, Wholesale & Retail Trade. The manufacturing sector, once the mainstay of the county economy, only accounts for 12 percent of the employment of the homeless residents and 17 percent of the county overall.

EARNINGS BASED ON WORK HISTORY AND DEMOGRAPHICS

While Figures 34 and 35 and Table 6 provide a broad overview of the types of jobs held by the homeless, an examination of the recently employed provides a more detailed picture of the quality of employment secured by persons that were homeless in 2000. Figure 36 displays the breakdown of the wage and salary incomes earned by homeless persons that were employed in 1999. For 1999, the living wage (150 percent of the poverty level for a single parent with two children) was \$10 per hour. As shown in Figure 36, 72 percent of persons homeless in 2000 made less than a living wage in 1999, while only 37 percent of workers countywide

made less than the living wage. Stated positively, **29 percent of homeless workers reached the living wage threshold, compared to 62 percent of workers countywide.**

Breaking out the wage and salary earnings of different demographic groups of homeless residents we see a more detailed picture of those that worked in 1999. Figure 37 shows the median hourly wage of people that worked in 1999 and were homeless in 2000. Note that for every category, the median wage was less than the living wage of \$10 per hour in 1999. The overall median was \$6.67, which is well below

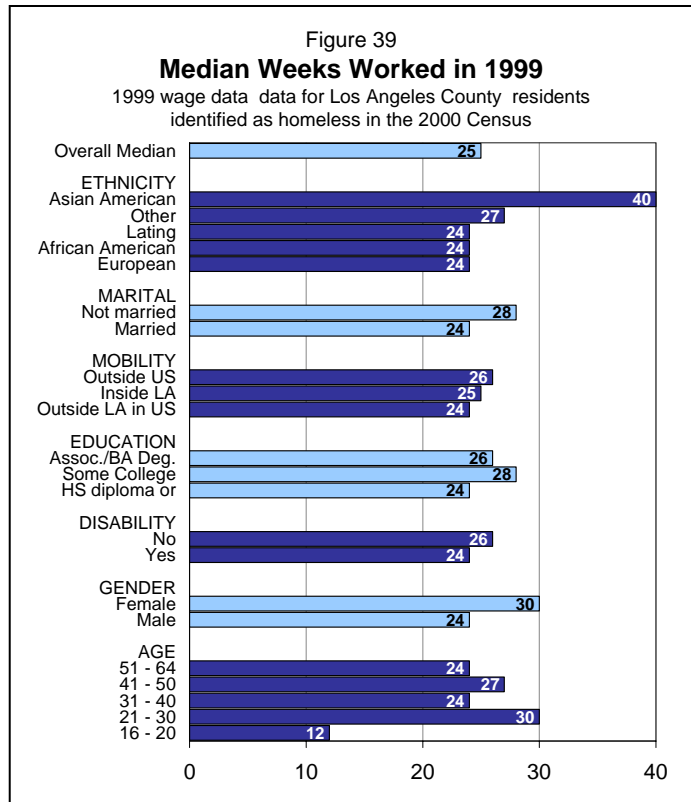


the living wage.

There were significant wage differences based on ethnicity, education and age. The median wages of Asian Americans were over \$2 higher than the wages of African Americans and European Americans. As might be expected, those with greater educational achievement earned the highest median wages. In regards to age, those between the ages of 21 and 40 earned the highest median wages while those 20 years of age or younger earned the least. A comparison of younger workers to older workers shows that

there is not upward progression in earnings that would reflect greater returns for longer work histories.

Hourly wages do not tell the complete story about homeless employment. While some may actually earn wages that exceed the living wage level, it does not necessarily mean that their annual income will be above the poverty level. **Many jobs are not full time and some offer only intermittent periods of employment.** Thus, examining weeks worked and hours worked provides a more complete picture of the extent to which they have been able to find sustainable employment.



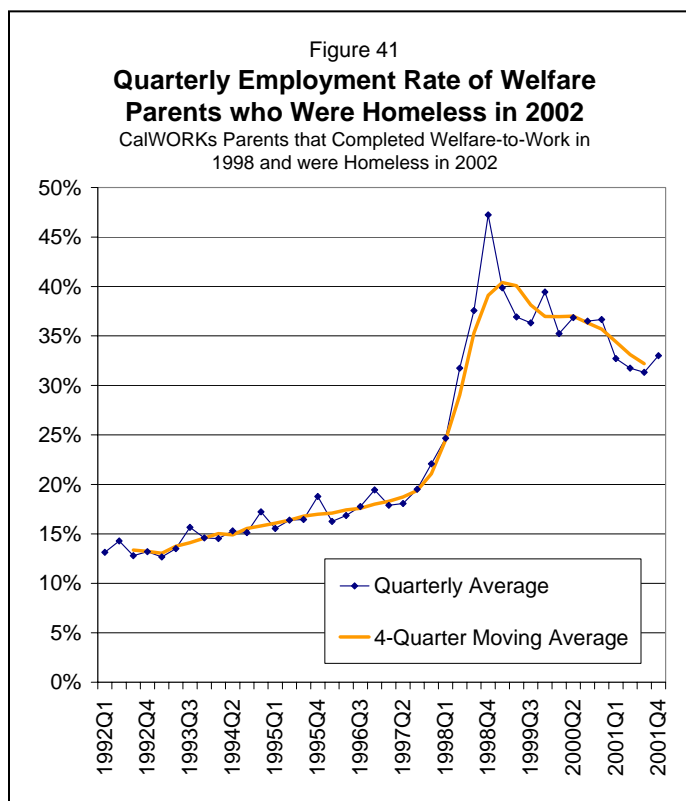
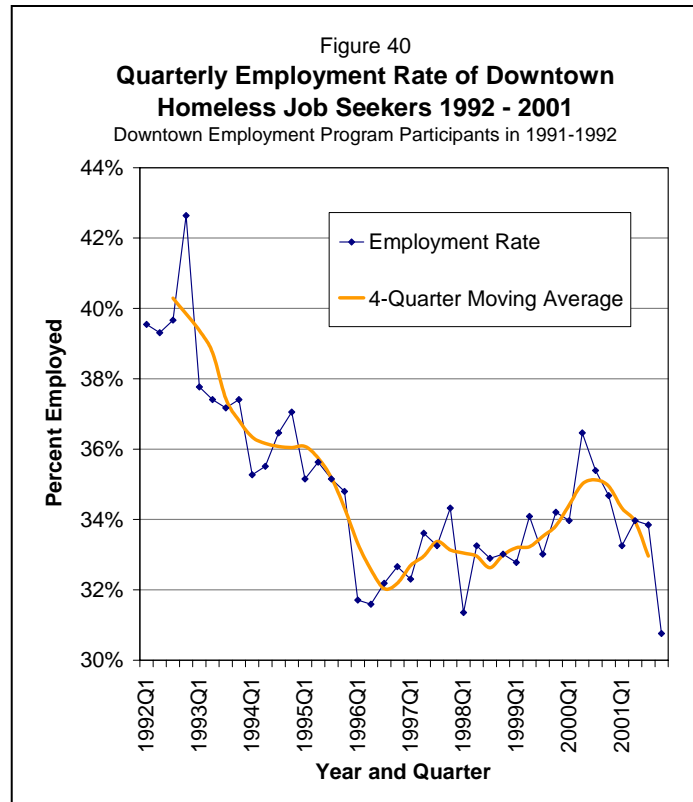
Median hours worked per week and median weeks worked for homeless persons that were employed in 1999 are shown in Figures 38 and 39. Figure 38 demonstrates that for those that found a job, most reported working between 30 and 40 hours each week. However, Figure 39 suggests that many worked less than the full year. If one assumes that there are approximately 49 workweeks in a year, many of the homeless that reported working in 1999 worked for only about half of the year. The overall median weeks worked for 1999 was 25 weeks. People of Asian descent and people between the ages of 21 and 30 reported the highest number of weeks worked. Those 20 years of age or younger worked the fewest number of weeks.

LONG-TERM EARNINGS HISTORIES OF HOMELESS WORKERS

Employment history information for the past decade is available for two groups of homeless individuals. The first group is made up of 1,198 homeless individuals who participated in Skid Row employment programs in 1991 and 1992. These were largely single adults, skewed toward the long-term homeless, and most received short-term, inexpensive employment assistance that consisted largely of encouragement and support in looking for a job. Only a handful received

education or vocational training. Our employment information for this group of job seekers allows us to follow their progress in attempting to earn a living after having been homeless.

The second group is made up of 1,666 welfare parents who received cash grants for their families through CalWORKs, participated in the county's welfare-to-work program in 1998, and were homeless in 2002. Like the downtown homeless, nothing was invested in improving the vocational skills or education level of two-thirds of these parents.⁵ Most received en-



couragement and counseling in searching for a job. Our employment information for this group of parents allows us to look back in time at their employment and earnings history leading up to homelessness.

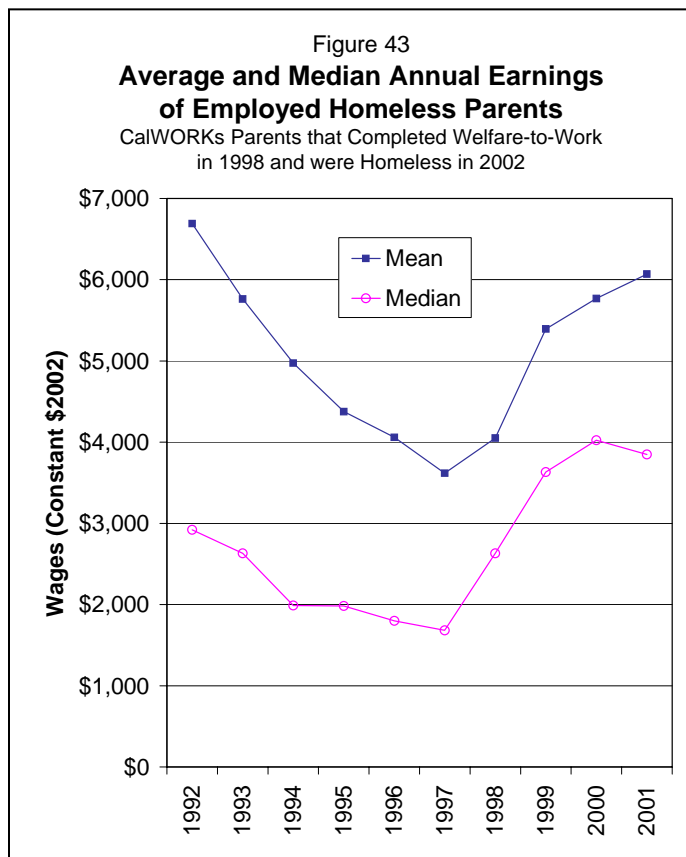
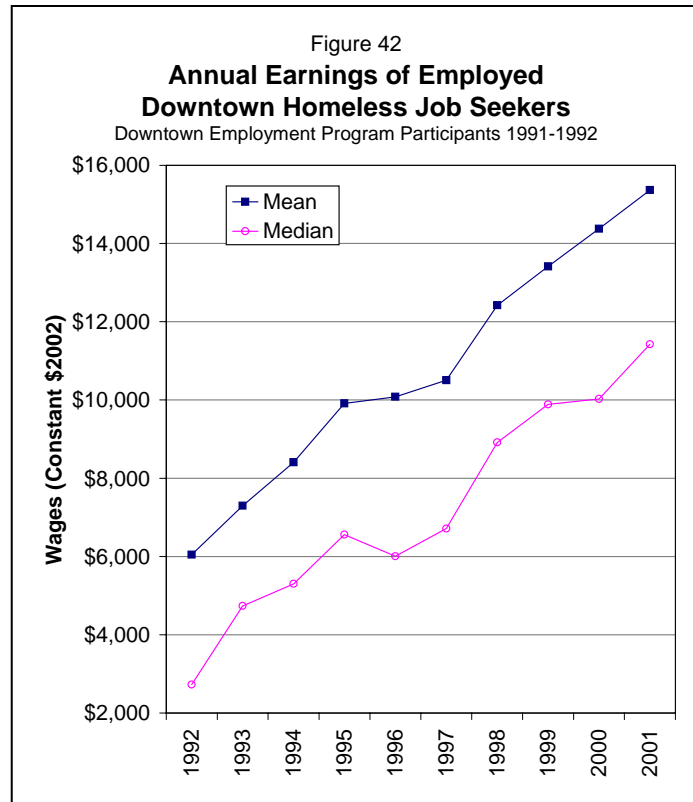
Employment Rate

Quarterly employment rates from 1992 through 2001 are shown for both homeless groups in Figures 40 and 41. The downtown homeless had declining employment through 1996, a slight recovery through 2000, and then another decline following the 2000 recession. About one-

third had jobs in any given quarter over the most recent five years. Later we will see than only about one in ten of these downtown homeless job seekers appears to have found permanent housing – a limitation that undoubtedly curtailed their ability to hold a steady job.

The welfare parents had a spike in employment following the county's welfare-to-work program in 1998, then a slowly declining employment rate. About one-third had jobs in any given quarter of 2001, the year before homelessness.

Earnings when Working



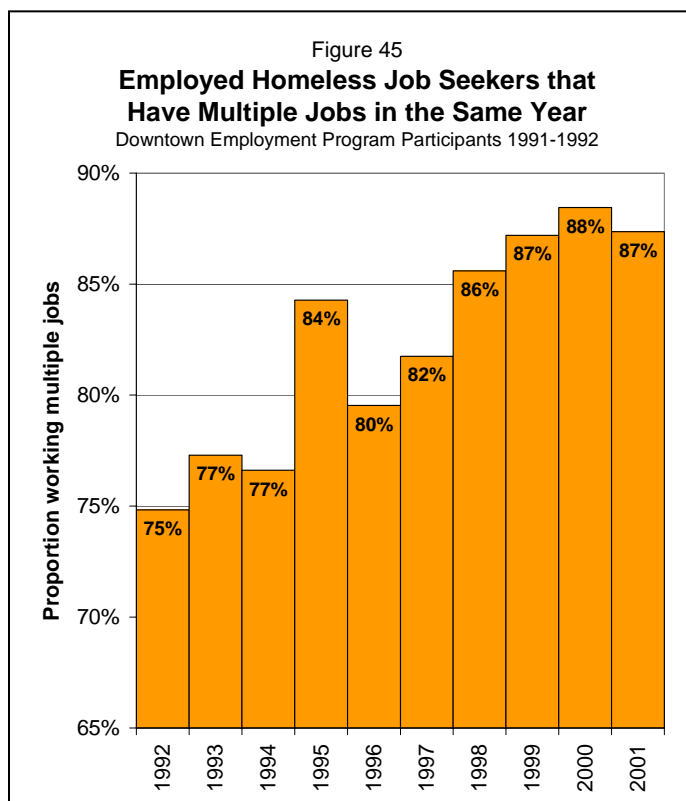
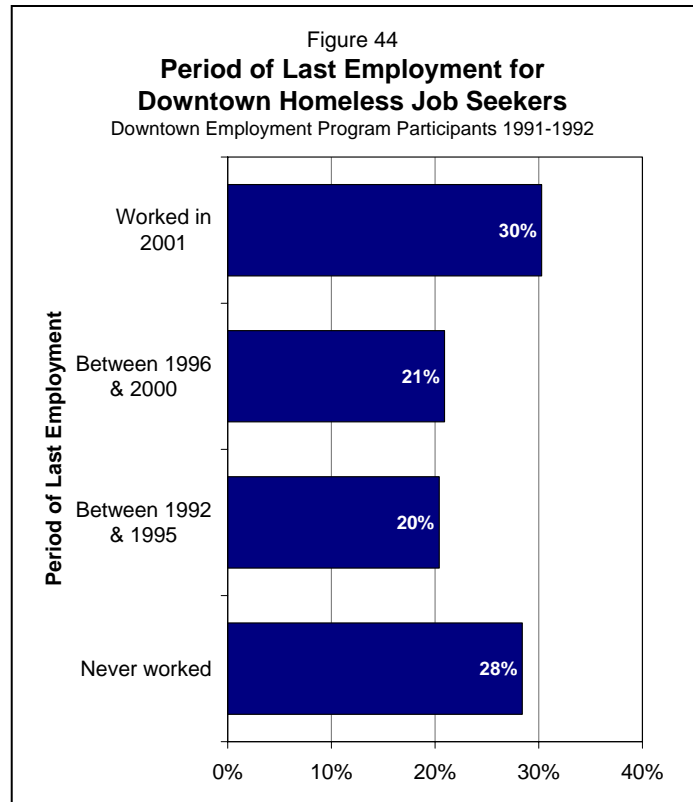
The third of downtown homeless workers who succeeded in finding jobs achieved steady growth in earnings, as shown in Figure 42. The typical worker in this group had earnings above the poverty threshold a decade after being homeless. It is encouraging to see that those who were able to find work achieved earnings progress.

The welfare parents who found work had average earnings that were about 26 percent of the poverty threshold for a single parent with two children in the interval after they completed the

welfare-to work program but before they became homeless (Figure 43). Many of these parents probably received cash grants in addition to their earnings in many of these quarters, but as we saw earlier, homelessness is often associated with a break in benefits. **Very few of these parents were in a position to support their families through the income they earned.**

Labor Force Participation

A process of labor market attrition among the downtown homeless job seekers is shown in Figure 44.



- One-quarter never worked.
- One-fifth started working but had been out of the labor force since 1995.
- One-fifth started work and continued working into the second half of the decade.
- 30 percent worked during at least part of the most recent year for which we have data – 2001.

Seventy percent of these prospective workers had no reported earnings in 2001.

When we look at those who did work, in Figure 45,

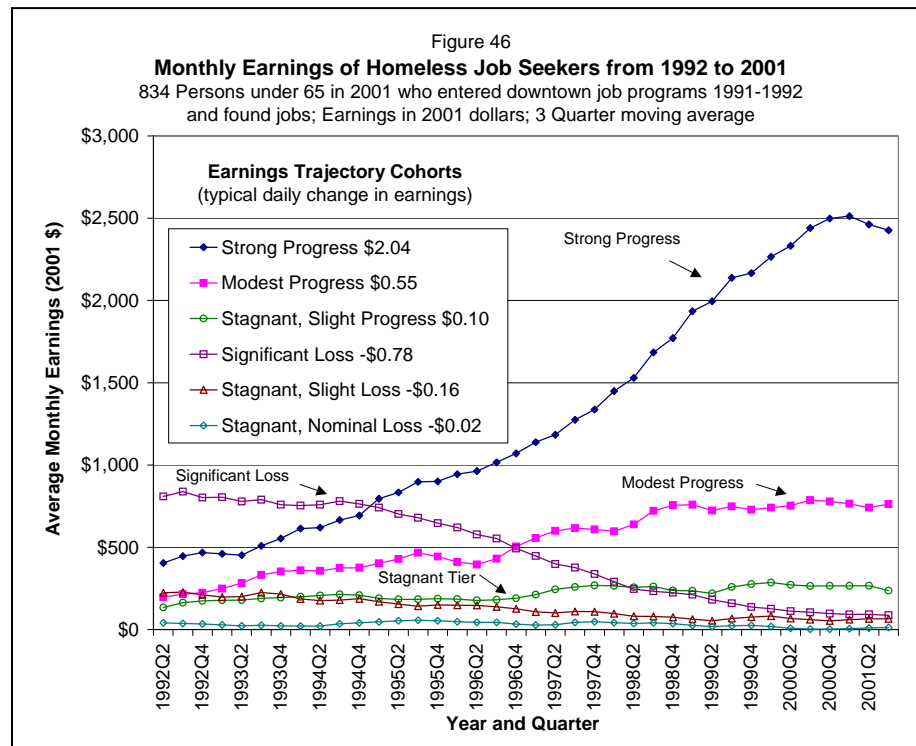
we see an increasing scramble to find replacement jobs or hold multiple part-time jobs. Nearly nine out of ten workers who held jobs had more than one employer a year. **Successfully holding a place in the labor market required a steady outlay of motivation, skills and effort to find new jobs after old, and largely temporary, jobs ended.**

Earnings Trajectories

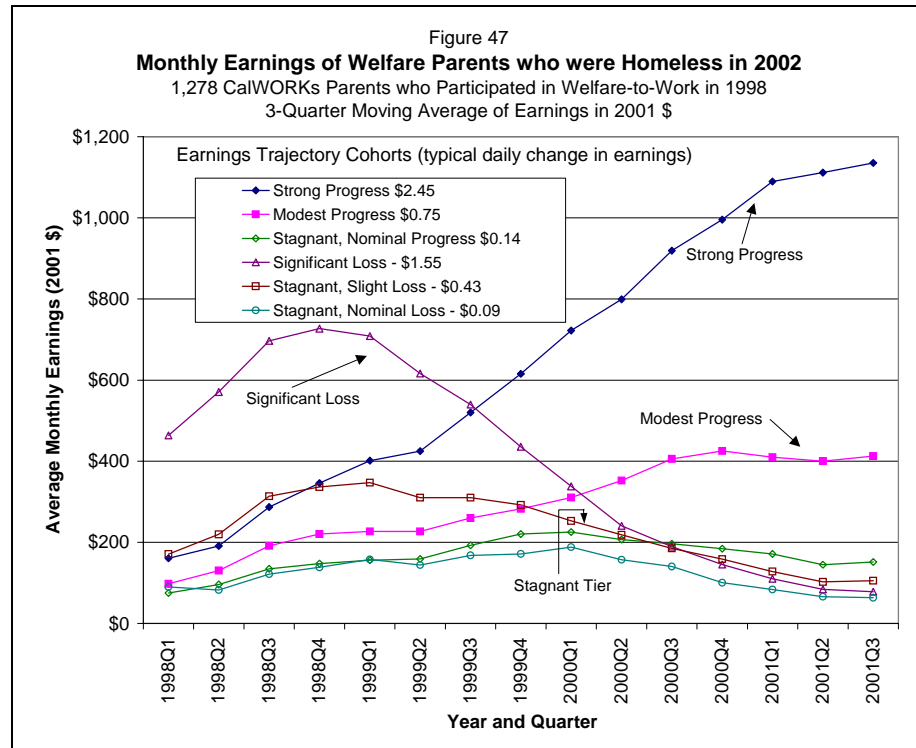
How do we summarize the volatile and uneven nature of homeless work histories? How do we characterize entire populations in a way that captures the trend and outcome of their efforts to sustain themselves? The approach we use is to calculate the earnings trajectory of each worker and then to calculate the average earnings and employment rates of workers with similar trajectories.⁶ We have found that this is the most powerful statistical method available for identifying the full range of employment outcomes in a population, and identifying the distinct economic paths of different segments of a population.

The earnings trajectory, or earnings slope, was calculated for each person. People with similar slopes were bundled together to form earnings trajectory groups. The slope value tells us the daily dollar change in earnings that was most characteristic of a person's overall trend in earnings. If the slope value is a positive number it means the general trend was upwards, and if it is negative it means the general trend

was downwards. This slope value is useful for understanding long-term employment outcomes because it describes the overall direction of a person's earnings, taking into account the person's entire earnings history. Slope groups with the



steepest slopes, whether positive or negative, had the highest total earnings. This illustrates the point that someone cannot lose money unless they had it in the first place; to have a very negative earnings slope someone originally had to have significant earnings.



The earnings trajectories of 834 downtown homeless job seekers who found work following their participation in employment programs in 1991 or 1992 are shown for the ten-year period of 1992 through 2001 in Figure 46.⁷ The earnings trajectories of 1,278 homeless welfare parents who found work following their participation in the county's welfare-to-work program in 1998 are shown for the four-year period of 1998 through 2001 in Figure 47.⁸

In Figure 46 we are largely seeing single homeless adults attempt to move away from homelessness. In Figure 47 we are largely seeing single mothers moving toward financial crises that will leave them homeless. In each of these two earnings charts there are three groups that are noteworthy in terms of their potential for achieving earnings progress:

1. The group in each chart with the strongest positive earnings trajectory (labeled "strong progress" for both the downtown job seekers and the welfare parents) had the highest average earnings - earnings far above all of the other groups. This group of downtown job seekers had a typical daily growth in earnings of \$2.04 over the ten-year period shown in the chart, and the welfare parents had typical daily growth of \$2.45.⁹ These top achievers had steady, long-term growth in earnings and are the most likely to become self-supporting through work.
2. The group with the next to the highest earnings is a runner-up group that also shows steady earnings progress, but at a slower rate that is less likely to lift the

workers out of poverty. This group is labeled “modest progress” for both the downtown job seekers and the welfare parents. This group had the second most positive slope value – typical daily growth in earnings of \$0.55 for the downtown job seekers and \$0.75 for the welfare parents.

3. The third noteworthy group that made the strongest early progress and then crashed. This group is labeled “significant loss” for both the downtown job seekers and the welfare parents. This group had the most negative slope values, with typical daily earnings decline of - \$0.78 for the downtown job seekers and - \$1.55 for the welfare parents. If workers in these groups had been able to sustain their early progress they might have achieved the highest earnings, but their labor force connections appear to have been derailed.

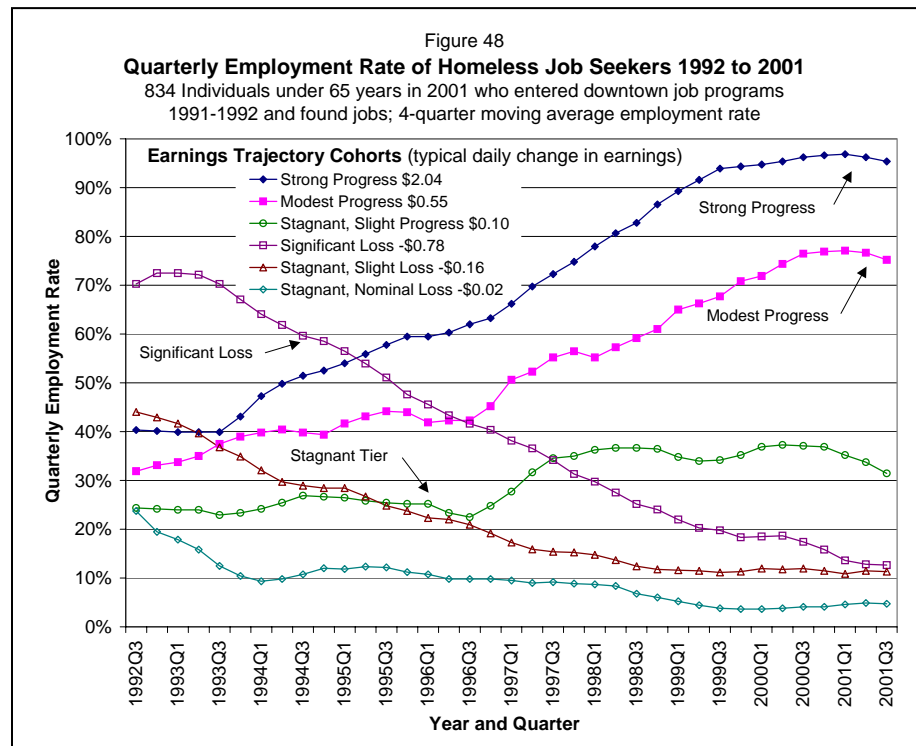
The remaining three earnings groups in each homeless cohort had typical monthly earnings under \$250, with earnings trajectories that remained largely stagnant. Workers in these groups achieved little detectable earnings momentum for escaping poverty.

Employment Trajectories

It is informative to look at the employment rates of these workers as well as their earnings. Their employment rates, displayed in Figures 48 and 49, show the effort they made to be part of the labor force. Their earnings show the reward for that effort. The

employment effort demonstrated by the three groups with noteworthy earnings outcomes that are described above can be summarized as follows:

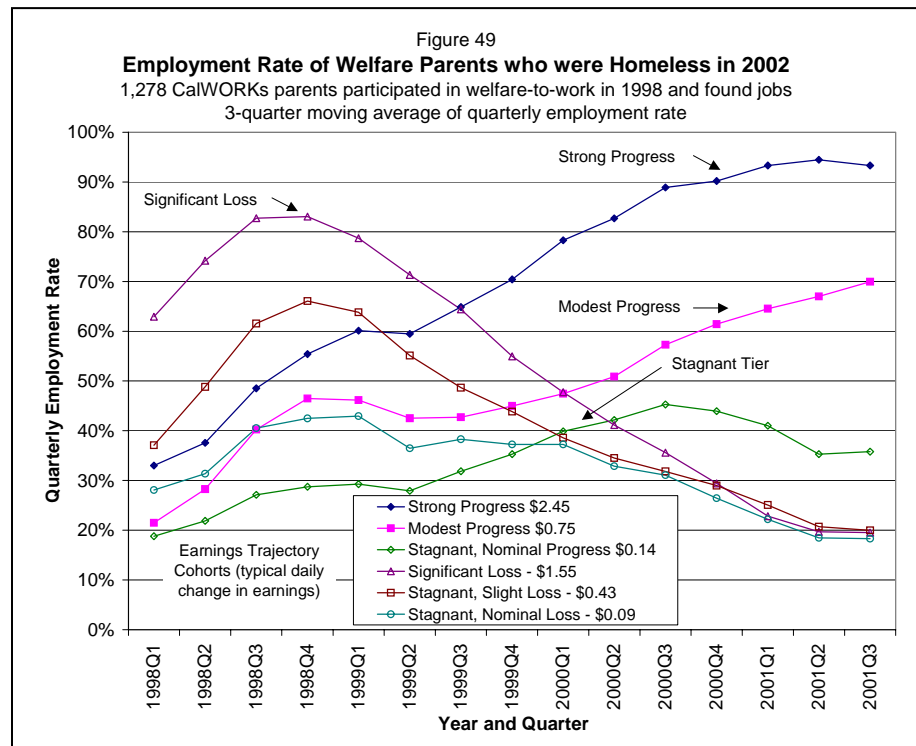
1. The group with the highest earnings and the most positive slope



values (labeled “strong progress” in Figures 48 and 49) also had the highest employment rate – over 90 percent for both cohorts in 2001. It is likely that earnings progress and earnings effort play a mutually reinforcing role in shaping these workers’ employment histories.

2. The group with the second highest earnings and the second most positive slope value (labeled “modest progress” in Figures 48 and 49) maintained an employment rate in the 70 percent range, approaching that of the group with the highest earnings, but received far lower wages for their effort. This group demonstrates a commitment to work but does not have the skills to earn a sustainable living. This group is likely to produce high earnings dividends for investments made in providing training and education that will make them more competitive in the labor market.
3. The group that got off to a good start and then crashed, producing the most negative slope values (labeled “significant loss” in Figures 48 and 49), had the highest early employment rate, before crashing. Many may have already been employed. Their early employment success appears to have been derailed by circumstances that disrupted their job stability. More of these workers may have stayed employed if they had received needed supportive services. Among this group of welfare parents, only 12 percent were referred to services for domestic violence, mental health or substance abuse problems. Ten percent received childcare for 5 months or less, 41 percent for 6 months or more, and 49 percent received no childcare assistance.

The remaining three employment groups in each homeless cohort had typical quarterly employment rates under 40 percent, with employment trajectories that remained largely stagnant. Workers in these groups build few detectable labor force connec-



tions that would enable them to for escape poverty.

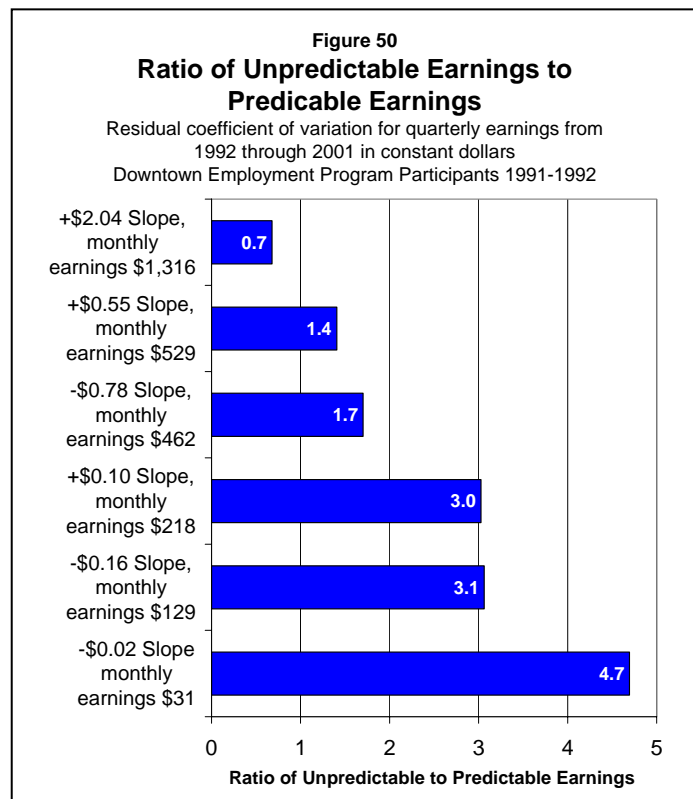
In summary, based on wage outcomes alone only one out of six employment cohorts in each of these populations appears to have promising prospects for rising out of poverty. But with needed training and supportive services there is an identifiable possibility that all of the three groups described as noteworthy above could rise out of poverty through their own earnings. This would triple the number of homeless workers who become financially self-sufficient through employment. This suggests that about half of the 70 percent of downtown homeless job seekers and of the 78 percent of homeless welfare parents who participated in the labor force have identifiable possibilities for supporting themselves through work. This represents a potential self-sufficiency goal, based on more intensive and effective training and supportive services, of 35 to 38 of homeless adults who do not have obvious impediments that preclude employment.

Earnings Stability

In most months the actual amount of paychecks for low-wage workers varies considerably from a straight trend line projecting their overall earnings progression. This variability in actual earnings is likely to create money management problems for homeless workers who, like everyone else, have regular monthly expenses for such needs as shelter and food.

To gauge the relative unpredictability of earnings we calculated the ratio of earnings unpredictability (specifically, the residual coefficient of variation), which is a measure of variation in unexplained earnings relative to average earnings.¹⁰ This is shown in Figure 50 for the downtown homeless job seekers.

The ratio of earnings unpredictability shows the extent to which earnings did not come in regular increments. The value of this information is that it provides an indication of the stability, or instability, in the earnings flow and budgets of



homeless workers. Undependable earnings are likely to add to conditions of uncertainty for individuals and families that are struggling to survive and build a stable life.

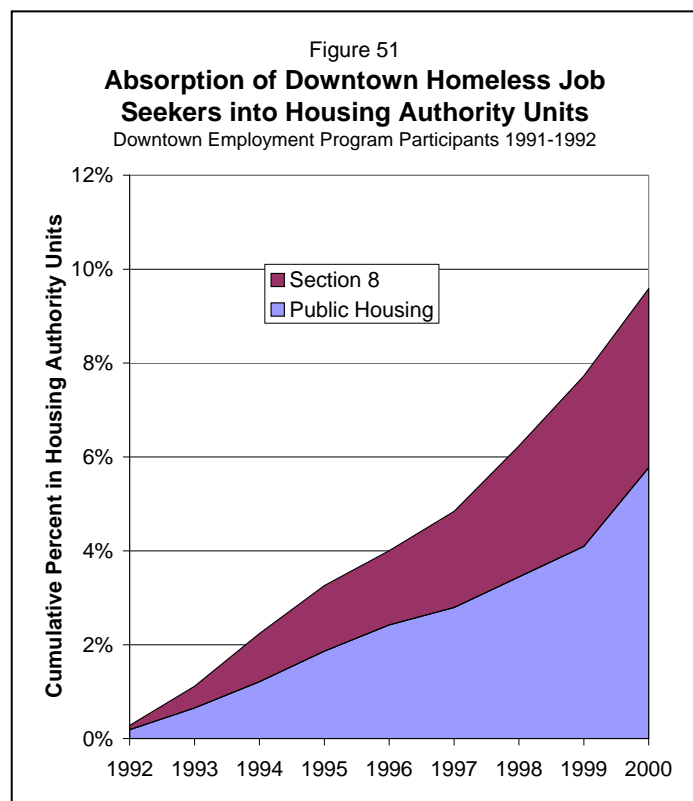
What we see is that the more workers earn the more stable their earnings become and the less they earn, the more unpredictable their earnings become. Workers with the most positive slope (2.04) and the highest earnings had only \$0.70 in unpredictable wages that did not fit their earnings trajectory for every \$1.00 that did matched their trajectory. Workers with the most stagnant slope of - 0.02 (and also the lowest earnings) had \$4.70 in unpredictable wages for every \$1.00 that matched their trajectory. Workers with low earnings are handicapped both by their lack of income and the unpredictability of their income as they attempt to achieve stability in their lives.

This earnings instability is not entirely unexpected given the jobs that these workers found. Five industries provided 36 percent of all of the jobs that the downtown homeless job seekers found:

1. Temporary employment agencies
2. Security guard services
3. Job training agencies
4. Restaurants
5. Social service agencies

SUBSIDIZED HOUSING

We have one small body of evidence about the rate at which homeless individuals find subsidized housing. This comes from matching the 1,198 downtown homeless job seekers against the roster of residents in shelter provide by the Housing Authority of the City of Los Angeles. The results are shown in Figure 51.¹¹ Although this data has the limitation of being skewed toward single homeless adults, and it leaves out subsidized housing provided by nonprofit organiza-



tions, it provides a partial benchmark for the proportion of the homeless population that is able to obtain subsidized housing.

What we see is that over an eight-year period approximately 10 percent of the members of this downtown homeless population gained access to subsidized housing. The mobility data in Figure 16 showed that only about 70 percent of the homeless people who were in the county in 1995 remained in the county in 2000. This suggests that about 14 percent of the members of this group who remained in Los Angeles were able to gain access to subsidized housing provided by the Housing Authority. About three-fifths of the housing they moved into was in public housing projects and about two-fifths was in private rental housing subsidized by the Housing Authority.

SUMMARY OF FINDINGS

- The most frequent source of income before the onset of homeless is employment.
- Time-limited Unemployment and Disability insurance benefits appear replace employment income for many people after they become homeless.
- Roughly two-thirds of families that are homeless appear to have recently lost their public assistance (CalWORKs) benefits.
- The percent of homeless individuals reporting some source of income is roughly the same as that for the overall adult population of the county, although the amount of income is far less. These remnants of connections to viable employment or public sector benefits represent the path out of homelessness for most people.
- Most homeless adults have work histories, but few have histories of sustainable earnings.
- Only 29 percent of homeless workers earned sustainable wages (150 percent or more of the poverty threshold) in the year prior to being identified as homeless.
- Homeless adults are 40 percent more likely than the overall county adult population to not be in the labor force, and those in the labor force have an unemployment rate that is more than 6 times higher than the overall county rate.
- Homeless workers are concentrated in the lowest-paying occupations, many of which do not offer prospects for paying a sustainable wage.
- Many homeless workers hold jobs offering only part-time, intermittent employment.
- Approximately half of the homeless job seekers who participate in the labor force have identifiable possibilities for supporting themselves through work.

This represents a potential self-sufficiency goal, based on more intensive and effective training and supportive services, of 35 to 38 percent of homeless adults who do not have obvious impediments that preclude employment.

- Workers with low earnings are handicapped both by their lack of income and the unpredictability of their income as they attempt to achieve stability in their lives.
- Approximately 14 percent of single homeless adults who remained in Los Angeles were able to gain access to subsidized public housing over an eight-year period.

ENDNOTES

¹ The estimate that roughly two thirds of homeless families have recently lost their CalWORKs benefits is based on the following calculation: 85 percent (total percent of homeless families receiving cash grants sometime during the year) minus 22 percent (total percent of currently homeless families still receiving CalWORKs benefits) = 63 percent of families that are currently homeless recently lost their CalWORKs benefits.

² The charts that attend this section do not differentiate between employment in the formal and informal sectors. Because the data are person reported and are not crosschecked with employer records, Social-security records, or any similar data sources it is impossible to identify the legal conditions under which individuals are employed.

³ This table only includes data for those that worked sometime between 1995 and 2000. If a person has not worked since 1995 they were not included.

⁴ The living wage is calculated as follows: $\$18,718 / 1,960$ (49 work weeks x 40 hours) = \$9.55; $\$21,741 / 1,960$ = \$11.09. We use 49 weeks instead of 52 to account for the typical vacation time and other holidays.

⁵ Only 37 percent of these parents were referred to educational or vocational training activities while participating in the county's welfare-to-work program.

⁶ The earnings trajectory, or earnings slope, was calculated for each person through linear regressions of quarterly earnings (the dependent variable) against time (the independent variable). The slope value produced by the regression equation tells us the daily dollar change in earnings that was most characteristic of a person's overall trend in earnings. If the slope value is a positive number it means the general trend was upwards, and if it is negative it means the general trend was downwards. This slope value is useful for understanding long-term employment outcomes because it describes the overall direction of a person's earnings, taking into account the person's entire earnings history. People with similar slopes were bundled together to form earnings trajectory groups. The slope values shown for each group are the average of everyone within the group. Slope groups with the steepest slopes, whether positive or negative, had the highest total earnings. This illustrates the point that someone cannot lose money unless they had it in the first place; to have a very negative earnings slope someone originally had to have significant earnings. Differences in slopes trajectories and earnings outcomes of homeless workers are partially explained by differences in their earnings-related attributes. It should be noted that in creating slope groups we are constrained by the fact that people with no earnings have a slope value of 0, dividing those with negative slopes from those with positive slopes. We attempt to create slope groups that are all of equal size, but this break in the ranking prevents us from creating groups that are all exactly equal in size. For each population all positive slope groups are of the same size, and all negative slope groups are of the same size, and groups within both sets are roughly comparable in size.

⁷ This is all of the workers in this group who had wage and salary income any time from 1992 through 2001. The other 364 participants in employment programs had no wage and salary earnings.

⁸ This is all of the workers in this group who had wage and salary income any time from 1998 through 2001. The other 388 parents had no wage and salary earnings.

⁹ It should be noted that even though it is the best possible linear description of a worker's typical earnings, actual quarter-to-quarter earnings often deviate significantly from this slope line. In general, workers with higher earnings have more predictable earnings that tend to fit their earnings slopes. Workers with lower earnings have more erratic incomes that conform less well to their earnings slopes. The extent to which worker's earnings are accurately explained by their earnings slopes can be determined by calculation the residual coefficient of variation for each earnings slope.

It should also be noted that the slope values for employment histories tend to moderate over time. Thus, the slope values for downtown job seekers, for whom we shown 10 years of earnings data, have a less divergent distribution of values than those for welfare parents, for whom we show 4 years of earnings data.

¹⁰ Calculation of the Residual Coefficient of Variation in Earnings

The slope-group coefficients of variation charted in Figure 50 are averages of residual coefficients of variations calculated for each individual in the respective groups. The steps used to calculate the latter were as follows for each of the 834 cases being analyzed:

1. Calculate the variance in quarterly earnings for the 40 quarters of earnings history.
2. Calculate the residual variance by removing the portion of variance explained by the individual's time-trend (i.e., residual variance equals variance less variance times r-squared).

3. Calculate residual standard deviation as the square root of the result of Step 2.
4. Calculate residual coefficient of variation by dividing the result of Step 3 by the respective worker's average quarterly earnings for the 40 quarters being analyzed.

¹¹ This data match has the value of tracking the absorption of a complete homeless population into public housing. However, it has at least two limitations. First, the downtown homeless job seekers were approximately 80 percent male, many of them single adults, and may have been less likely to obtain subsidized housing than homeless families. Second, additional homeless individuals were probably absorbed into nonprofit subsidized housing, but are not reflected in this data.

Chapter 7

How Many People Are Homeless?

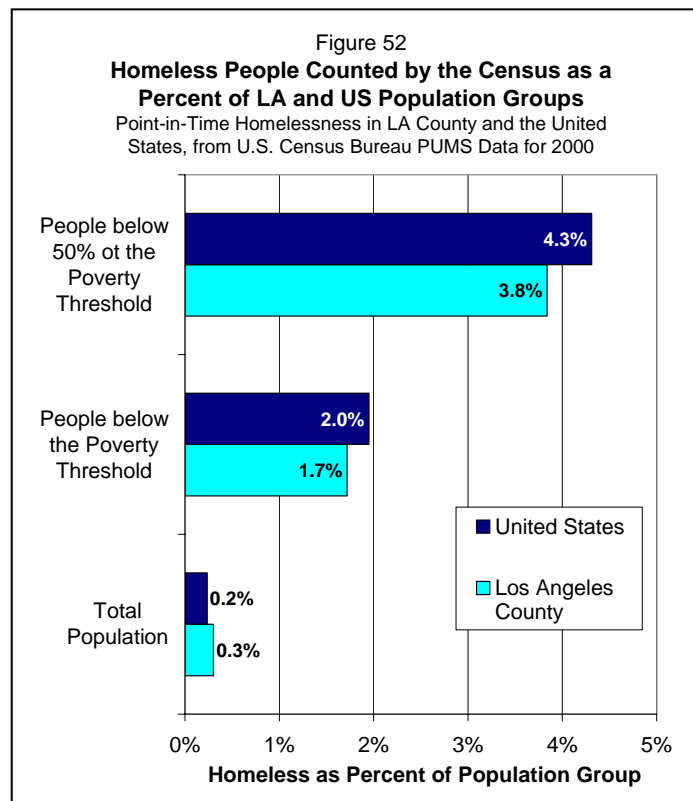
IS LOS ANGELES DIFFERENT?

There is reason to believe that homelessness dynamics in Los Angeles differ from patterns that are typical for the rest of the United States. One difference is the number of homeless people in Los Angeles in relation to the overall population. Another difference is the pattern of homeless living arrangements in Los Angeles.

Homeless residents identified in the 2000 Census made up 29 percent more of Los Angeles County's population than of the United States population (0.30 vs. 0.23 percent), as shown by the bottom set of bars in Figure 52. At the same time, homeless people identified in the Census were a smaller share of impoverished residents in Los Angeles than in the United States. This is shown by the top two sets of bars in Figure 52. Homeless residents identified by the Census accounted for 1.7 percent of people with incomes below the poverty threshold, and 3.8 percent of people with incomes below half of the poverty threshold in Los Angeles, versus 2.0 and 4.3 percent, respectively, for the counterpart U.S. populations.

How do we account for this anomaly that homeless residents make up a larger share of the overall population, but a smaller share of the impoverished population, in Los Angeles than in the rest of the United States? Our explanation is that:

1. One reason why Los Angeles' rate of homelessness is higher than the U.S. average is that it has a higher rate of poverty (18 percent in Los Angeles vs. 12 percent in the U.S.



in the 2000 census),¹ and homelessness is the most extreme manifestation of poverty.

2. A second reason why Los Angeles has an above-average rate of homelessness is that the cost of rental housing in Los Angeles is significantly above the national average. This contributes to a higher percent of precariously housed low-income residents losing their housing. Seventy-five percent of households in Los Angeles County with annual incomes under \$20,000 pay over 35 percent of their income for rent, versus 62 percent for the United States.²
3. The reason why a smaller share of Los Angeles' poverty population showed up as homeless in the Census is that the Census Bureau's homeless count focuses on shelters and undercounts people living on the streets. Los Angeles has warmer weather than most of the U.S., so a larger share of its homeless residents can and, we think, does survive on the streets. As a consequence the Census Bureau is more likely to undercount homeless residents in Los Angeles than in the nation as a whole.

FINDINGS FROM CITY HOMELESS COUNTS

City-level counts of homeless residents within Los Angeles County suggest a rate of homelessness that is significantly higher than the overall U.S. rate. The National Survey of Homeless Assistance Providers and Clients (NSHAPC) that was carried out in 1996 by the Urban Institute and the U.S. Census Bureau produced point-in-time estimates of the U.S. homeless population that ranged from a low of 0.2 percent of the total population and 1.2 percent of the poverty population in October 1996 to a high of 0.38 percent of the total population and 2.3 percent of the poverty population in February 1996.³

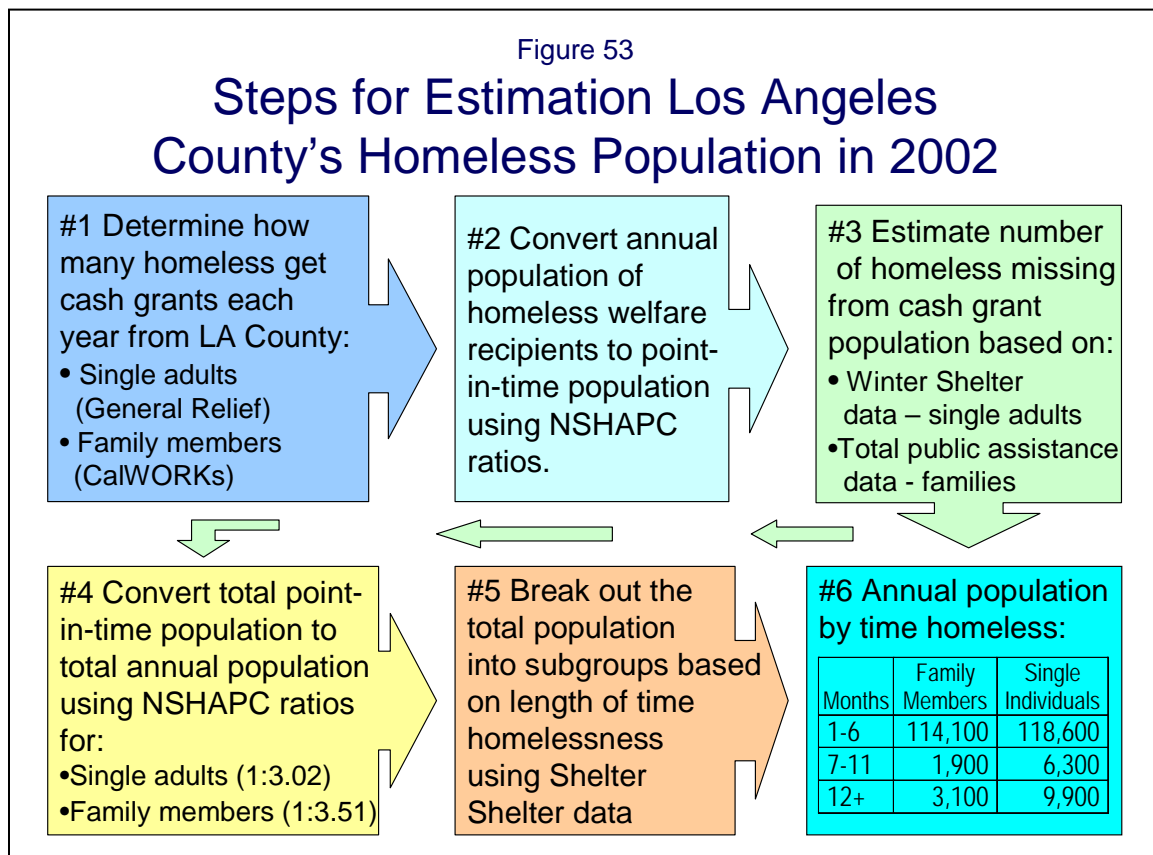
The average point-in-time homeless rate found by five cities in Los Angeles County that have conducted recent homeless counts is more than twice as high as the highest national rate found by the NSHAPC project.

City	Year of Homeless Count	Number of Homeless Residents	Percent of 2000 Total Population	Percent of 1999 Poverty Population
Long Beach	2003	5,845	1.3%	5.7%
Pasadena	2000	752	0.6%	3.6%
Pomona	2002	1,389	0.9%	4.5%
Santa Clarita	2002	119	0.1%	1.2%
Santa Monica	1999	1,037	1.2%	12.0%
Average		9,142	0.9%	5.3%

The homeless rate is 0.9 percent of the combined population of these five cities and 5.3 percent of their poverty population. The homeless rates found in these cities are shown in Table 7. For reasons that we do not fully understand, Los Angeles County appears to have an unusually high rate of homelessness.

ESTIMATED HOMELESS POPULATION

To design a strategy that will eliminate homelessness we need to know the number of people that need different kinds of services in order to recover from homelessness – services ranging from advocacy in obtaining public benefits to job training to housing. Information about how many people are homeless at a given point in time as well as over the course of a year, and the duration of homelessness and family status of these populations, provides basic reference points for estimating the portfolio of services that will be needed to eliminate homelessness. But unfortunately, there is no body of data that can give us a complete count of Los Angeles County's homeless population, much less a breakout of this population by duration of homeless and family status. To produce this information about the homeless population we must develop estimates based on a patchwork of existing



data sets, each of which gives us partial information about the homeless population.

Our tentative estimate of Los Angeles County's homeless population is based on information from four different data sets. The steps in producing this estimate are illustrated in Figure 53, explained below, and summarized in Table 8.

1. *Using Homeless Public Assistance Recipients as the Base Group for Producing an Estimate*

Our most complete data set about homeless residents is from welfare records. As we will explain, the 216,708 homeless persons identified in these records appear to make up about 85 percent of the county's homeless population. Because other data sets provide estimates of how many homeless residents receive different kinds of cash grants, providing a benchmark for estimating the total homeless population, we isolated the homeless recipients of General Relief and CalWORKs and found that over the course of 2002 the county provided cash aid to:

- 101,681 homeless family members - mostly through CalWORKs.
- 70,585 homeless single individuals – mostly through General Relief.

2. *Converting the 2002 Annual Population of Homeless Recipients of Cash Welfare Grants to an Average Point-in-Time Population*

The NSHAPC project in 1996 conducted an extensive analysis to determine the ratio of the point-in-time homeless population to the annual population. The result was six ratios each for single individuals and family members, with different ratios resulting from different time frames for recording the duration of homelessness. We applied the average ratio for each population group to the county's homeless cash aid recipients, using the following NSHAPC ratios:

- The annual population of homeless family members is 3.51 times bigger than the average point-in-time population, meaning that the average point-in-time of homeless family members who received cash grants from the county in 2002 was 28,969.
- The annual population of homeless single individuals is 3.02 times bigger than the average point-in-time population, meaning that the average point-in-time of homeless single individuals who received cash grants from the county in 2002 was 23,385.

3. *Estimating how many Homeless People Did Not Receive Cash Grants from the County in 2002*

By adding the homeless people who did not receive cash grants from the county to those who did, we can arrive at a complete estimate of the homeless population. We used different methods to produce these estimates for family

members and single individuals. For family members we looked at how many assistance recipients receive cash grants from the county (some family members receive only Food Stamps or Medi-Cal). This produces a fairly complete estimate because most homeless families are eligible for and obtain some form of public assistance, but it leaves out undocumented homeless immigrants who cannot receive any type of public assistance. For single individuals we used responses to a series of questions about past and current receipt of General Relief benefits, as well as current receipt of CalWORKs, that were asked of each single individual that entered the Winter Shelter program in 2002. This analysis showed that during some part of 2002 the county provided cash grants to:

- 85 percent of homeless family members.
- 52 percent of homeless single individuals.

4. *Estimating the Point-in-Time Homeless Population*

By adding the homeless people who did not receive cash grants to those who did we arrived at the following estimate of the county's average point-in-time homeless population in 2002:

- | |
|--|
| <ul style="list-style-type: none"> ▪ 33,900 family members ▪ 44,700 single individuals ▪ 78,600 total homeless persons on a typical night |
|--|

5. *Estimating the Annual Homeless Population*

By applying the NSHAPC ratios of annual to point-in-time homeless populations discussed earlier (3.51:1 for family members and 3.02:1 for single individuals) we arrived at the estimate that over the course of 2002:

- 119,100 family members were homeless for at least part of the year.
- 134,900 single individuals were homeless for at least part of the year.
- A total of 253,900 (after correcting rounding error) people experienced homelessness during the year.

6. *Estimating the Duration of Homelessness for the Point-in-Time Population*

Information from Winter Shelter residents from 1997 through 2003 about how long they had been homeless was used to break the point-in-time homeless population from step #4 above into groups based on duration of homelessness. Separate estimates were produced for single adults and family members. The comparative size of these groups from Winter Shelter data is as follows:

- Within the point-in-time population of homeless family members:
 - 86 percent have been homeless 6 months or less

- 5 percent have been homeless 7 to 11 months
 - 9 percent have been homeless 12 or more months
- Within the point-in-time population of homeless single adults:
 - 66 percent have been homeless 6 months or less
 - 11 percent have been homeless 7 to 11 months
 - 22 percent have been homeless 12 or more months

7. *Estimating the Duration of Homelessness for the Annual Population*

We estimated the annual homeless population made up of single adults as well as of family members with different durations of homelessness as follows:

- We identified the annual cycles of homelessness, or turnover rate, for each group based on the number of months represented by midpoint of the duration of homelessness for each cohort, and then divided that number of months into 12 to identify the number of times that the population in each cohort was likely to turn over in the course of a year.
- We adjusted the annual cycles of homelessness for persons who were homeless 6 months or less by increasing it from 4.0 to 4.13676 for family members and 4.24845 for single individuals. The adjusted rates produce annual outcomes that correspond with the ratio of point-in-time homeless to annual homeless found by the NSHAPC in 1996.
- We deflated the estimated turnover rate to account for people who had multiple spells of homelessness in the same year, and whose homeless “slot” was not always filled by a different individual. Responses from the Winter Shelter Survey that showed both duration homelessness and multiple spells of homelessness over multiple years were extrapolated to produce an estimate of multiple spells in the same year.⁴ This is the best local data source we were able to identify for this step in producing our estimate of the homeless population, but the reader should note that it is somewhat arbitrary to assume that people with multiple spells of homelessness over a multi-year period are equally likely to have multiple spells within a single year.
- The final estimate showed an annual population of:
 - 232,600 people homeless for 6 months or less
 - 8,300 people homeless for 7 to 11 months
 - 13,000 people homeless for 12 or more months

The estimates of the homeless population produced by these steps are shown in Table 8. It is important to emphasize that these estimates are tentative and are based on a patchwork of incomplete information. It is possible that a complete count of the homeless population would show a substantially different number of homeless residents. Reasons why these estimates might be inaccurate include:

- Undocumented homeless families are excluded from the estimate, which might make the estimated number of homeless family members low.
- In some instances the welfare case records used to identify the number of homeless public assistance recipients contain flags indicating that people are homeless even after they have found housing. This could inflate the population we identified as being homeless in 2002 and result in over estimating the overall size of the homeless population.

It is important to note that our estimated homeless population includes some people who are doubled up in housing with friends or relatives. The living situation of not having one's own housing and "crashing" with friends or relatives meets the Department of Public Social Services definition of homelessness, but it does not meet HUD's definition of homelessness. It is difficult to be certain to what extent our homeless estimate includes people in this kind of living situation, but there is little doubt that this is a component of our population estimate. Roughly 10 percent of the Winter Shelter population reported that they were homeless because friends or relatives had asked them to leave where they were staying (Figure 8). This rate of having been doubled up suggests that 10 percent, or roughly 8,000, of the people we estimate to comprise the point-in-time homeless population may be doubled up in housing.

A possible alternative interpretation of the data underlying the homeless population estimate presented in this chapter is that Los Angeles' homeless population is both larger and less visible than our estimates indicate – that there are more people with very short durations of homelessness who are doubled up in the housing of friends and relatives than we show in our estimates. This alternative interpretation would be consistent with the large population of precariously housed people caused by the combination of high housing costs and large numbers of people in poverty in the region.

ESTIMATED SUBGROUPS IN THE HOMELESS POPULATION

Using information from this analysis together with estimates of the comparative size of homeless subgroups prepared for the 2002 Continuum of Care Narrative we estimated the point-in-time size of subgroups within the homeless population, as shown in Table 9. The three largest subgroups are:

- | | |
|------------------------------|------------|
| 1. Single adult males | 40 percent |
| 2. Chronic substance abusers | 34 percent |
| 3. Children | 25 percent |

Table 8
Estimated Point-in-Time and Annual Homeless Population in Los Angeles County in 2002 by Family Status and Duration of Homelessness

*Data from Los Angeles County Department of Public Social Services caseload in 2002, Winter Shelter Program residents in 2002, and National Survey of Homeless Assistance Providers and Clients in 1996
 Homeless Population Estimates Rounded to the Nearest 100*

	Family Members	Single Individuals	Total
Homeless and Received CalWORKs or General Relief in 2002 ¹	101,681	70,585	172,266
Estimated Ratio of Annual to Point-in-Time Homeless Population ²	3.51	3.02	
Point-in-Time Recipients of CalWORKs or General Relief in 2002 ³	28,969	23,385	52,354
Estimated % of All Homeless Getting CalWORKs or GR in 2002 ⁴	85%	52%	
Estimated Total Point-in-Time Homeless Population in 2002⁵	33,900	44,700	78,600
Estimated Total Annual Homeless Population in 2002⁶	119,100	134,900	253,900
% Homeless 6 months or less ⁷	86%	66%	
% Homeless 7-11 Months ⁷	5%	11%	
% Homeless 12+ Months ⁷	9%	22%	
Homeless 6 months or less ⁸	29,300	29,700	59,000
Homeless 7-11 Months ⁸	1,500	5,000	6,600
Homeless 12+ Months ⁸	3,100	9,900	13,000
Estimated Annual Turnover of Persons Homeless <6 months ⁹	4.14	4.25	
Estimated Annual Turnover of Persons Homeless 7-11 Months ⁹	1.33	1.33	
Estimated Annual Turnover of Persons Homeless 12+ Months ⁹	1.00	1.00	
% Homeless <6 Months and Only Time in the Year ¹⁰	92%	92%	
% Homeless 7-11 Months and Only Time in the Year ¹⁰	77%	77%	
% Homeless 12+ Months and Only Time in the Year ¹⁰	100%	100%	
% Homeless <6 months, and More than 1 Time in the Year ¹⁰	8%	8%	
% Homeless 7-11 Months, and More than 1 Time in the Year ¹⁰	23%	23%	
% Homeless 12+ Months, and More than 1 Time in the Year ¹⁰	0%	0%	
<i>Estimated Total Annual Homeless <6 Months in 2002¹¹</i>	<i>114,100</i>	<i>118,600</i>	<i>232,600</i>
<i>Estimated Total Annual Homeless 7-11 Months in 2002¹¹</i>	<i>1,900</i>	<i>6,300</i>	<i>8,300</i>
<i>Estimated Total Annual Homeless 12+ Months in 2002¹¹</i>	<i>3,100</i>	<i>9,900</i>	<i>13,000</i>

Notes:

1. From LEADER files for 2002 provided by the Los Angeles County Department of Public Social Services.
2. Average of ratios of point-in-time to annual homeless populations for households and single individuals reported by NSHAPC in 1996, *Helping America's Homeless*, p. 47, Table 2.9.
3. Annual population receiving CalWORKs or General Relief divided by ratio of point-in-time to annual homeless.
4. Homeless CalWORKs recipients as a percent of all homeless family members who received any form of public assistance from Los Angeles County in 2002; and single Winter Shelter residents who reported receiving General Relief in the previous year as a percent of all single Winter Shelter residents in 2002.
5. Includes the estimated 15% of family members and 48% of single individuals who did not receive CalWORKs or General Relief in 2002, as well as the estimated point-in-time population that did receive these benefits.
6. Total point-in-time homeless multiplied by the ratio of annual to point-in-time homeless.
7. Based on intake data from the Winter Shelter Program in 2002 for single individuals and families.
8. Point-in-time homeless population multiplied by the percent homeless for each length of time.
9. Turnover rates are based on the midpoint of the duration of homelessness for each cohort, except the rate for persons homeless <6 months was increased from 4.0 to 4.13676 for family members and 4.24845 for single individuals. The adjusted rates produce annual outcomes that correspond with the ratio of point-in-time homeless to annual homeless found by the NSHAPC in 1996.
10. Extrapolated from the 2002 survey of Winter Shelter residents by Jeannette Rowe, Emergency Response Coordinator for the Los Angeles Homeless Services Authority. The survey asked residents how many previous years they had spent in Winter Shelter, and this information about cycles of homelessness was used to estimate how many had more than one homeless spell in the same year.
11. Calculated by applying the annual turnover factor to persons with a single spell of homelessness, and counting the residual that had multiple spells of homelessness only once.

Table 9
Estimated Point-In-Time Homeless Subpopulations in
Los Angeles County in 2002

Subpopulations within single individuals and within family members
overlap and add up to more than 100 percent
Homeless population estimates rounded to the nearest 100

	Percent of Population	Estimated Point-in-Time Population
Single Individuals		
TOTAL	100%	44,700
Females ²	30%	13,400
Males ²	70%	31,300
Chronic Substance Abuse ¹	50%	22,300
Seriously Mentally Ill ¹	25%	11,200
Dually-Diagnosed ¹	16%	7,100
Veterans ³	22%	10,000
Persons with HIV/AIDS ¹	3%	1,300
Victims of Domestic Violence ¹	9%	4,000
Youth/Emancipated Foster Youth ¹	8%	3,600
Other-Employment Disability ³	25%	11,000
Other-Elderly ¹	12%	5,500
Other-Multi-Diagnosed ¹	5%	2,200
Family Members		
TOTAL	100%	33,900
Female Parents ²	31%	10,700
Male Parents ²	10%	3,400
Female Children ²	29%	9,900
Male Children ²	29%	10,000
Chronic Substance Abuse (among parents) ¹	32%	4,500
Seriously Mentally Ill ¹	4%	1,400
Dually-Diagnosed ¹	1%	300
Veterans (among parents) ³	13%	1,800
Persons with HIV/AIDS ¹	3%	1,000
Victims of Domestic Violence ¹	34%	11,500
Other-Multi-Diagnosed ¹	1%	300
Other-Employment Disability ³	23%	3,200

¹ Derived from subgroup as percent of total homeless population shown in Table 5.a., Gaps Analysis, 2002 Los Angeles Continuum of Care Exhibit 1-Narrative, p. 92.

² Based on Department of Public Social Services Homeless aid recipients in 2002.

³

DISTINCTIVE CHARACTERISTICS OF HOMELESSNESS IN LOS ANGELES

Is Homelessness in LA Different than in the Rest of the US?

Los Angeles County appears to have an unusually high rate of homelessness. The Economic Roundtable estimates that the point-in-time population is 78,600. This estimate is **74 percent higher** than the homeless estimate that we get if we apply the national homeless rates for U.S. central cities and urban fringe areas identified in the 1996 NSHAPC survey to LA County.⁵

If we compare LA County's homeless rate using PUMS data from the 2000 Census to the equivalent percent for the U.S., our rate of homelessness is 29 percent higher than the national average.⁶

By either measure Los Angeles County has an unusually high rate of homelessness. As discussed below, the dynamics that produce this unusually high rate of homelessness may also produce a population mix that differs from the national homeless profile.

Why Does Los Angeles County Have an Above-Average Rate of Homelessness?

Los Angeles County's poverty rate and housing costs are both above the national average. The combination of an unusually large number of poor people and unusually expensive housing means that many people are precariously housed, or homeless. The precariously housed population includes people with past episodes of homelessness, people at risk of future episodes of homelessness, and people who experience recurrent homelessness.

The poverty rate in Los Angeles County is half again as high as the U.S. rate – 18 vs. 12 percent.⁷ Children in our society are especially vulnerable to poverty. Twenty-five percent of children 17 years of age or younger in Los Angeles County are in poverty, compared to 17 percent in the U.S.⁸ It follows that the region's homeless population is likely to include a significant number of children and their parents.

LA's above-average housing costs add to the number at-risk of homelessness. Fifty-eight percent of renter households in LA County with incomes under \$35,000 a year pay over 35 percent of their income for rent. The comparable figure for the United States is 46 percent.⁹ The share of lower-income families with excessive rent burdens is more than a quarter again higher in LA than in the U.S.

How Many People Have Been Homeless for More than a Year?

The dynamics of homelessness in LA appear to touch a significant segment of the population. This includes precariously housed residents who have experienced an episode of homelessness or are vulnerable to becoming homeless. It also includes residents being discharged from institutional settings such as foster care, jails, prisons, hospitals, military service, rehabilitation programs, domestic violence programs, and homeless programs.

Homelessness is a temporary rather than permanent condition for most homeless people. The Economic Roundtable estimates that of the total population of single individuals and families who are homeless on a typical night in LA, 17 percent have been homeless for a year or longer and 83 percent for less than a year. The boundary between the housed and unhoused populations in LA appears to be relatively permeable with significant movement between these populations.

This view of homelessness differs significantly from the most recent previous estimate of the composition of LA's homeless population produced by Shelter Partnership in 1995.¹⁰ Shelter Partnership estimated that 15 percent of the point-in-time homeless population was made up of family members and 74 percent was made up of people who had been homeless for a year or longer.¹¹

The Economic Roundtable's estimate that 17 percent of LA's point-in-time homeless residents are long-term (sometimes called chronic) homeless is within the 10 to 40 percent range that has emerged from a number of homeless studies in other regions of the U.S.¹² The Economic Roundtable's estimate is at the low end of the range found in other cities because we also estimate that 43 percent of LA's point-in-time homeless population is made up of family members. Many of these families are eligible for welfare assistance that enables them to escape homelessness.

UNCERTAINTY UNDERLYING HOMELESS POPULATION ESTIMATES

The detailed estimates shown in Tables 8 and 9 are not exact or definitive quantifications of the homeless population or subgroups within the population. These estimates are based on fragmented and incomplete information and contain a substantial margin of potential error.

Other approaches to estimating the number of homeless residents in Los Angeles County were explored in the process of developing the estimate shown in

Table 8. Two of these alternative estimates can be used to provide high and low range estimates that bracket the population estimate in Table 8. We believe that these alternative estimates are less reliable than the estimate in Table 8, but in combination they identify a population range that brackets our population estimate and encompasses most conceivable outcomes from an accurate census of the homeless population.

Alternative Low-Range Point-in-Time Estimate

One of the benchmarks for the national point-in-time rate of homelessness identified in the 1996 National Survey of Homeless Assistance Providers and Clients (NSHAPC) is based on the type of community, with rates identified for the central city and urban fringe areas of metropolitan statistical areas. If we apply the rates found in February 1996¹³ to the Census data for Los Angeles County in 2000 we get the low-range point-in-time estimate shown in Table 10 of 45,200 homeless persons.

Alternative High-Range Point-in-Time Estimate

The homeless population estimate shown in Table 8 builds off of the number of public assistance recipients that were homeless in 2002. The number of public assistance recipients shown in the county's case records to be homeless at some point in 2002 is only 6.8 percent of the total number of people who received some

Table 10 Low Range Estimate of Los Angeles County Point-in-Time Homeless Population in 2000 Based on 1996 NSHAPC rates for U.S. central cities and urban fringe areas Homeless Population Estimates Rounded to the Nearest 100			
	Point-in-Time Homeless Population Estimate	Population	Point-in-Time Homeless Rate
Population in Los Angeles County Central City	36,900	4,408,869	0.837%
Population in Urban Fringe Areas (balance of MSA)	8,300	5,110,469	0.163%
Low Range Estimate of Los Angeles County Homeless Population	45,200	9,519,338	

form of public assistance in 2002. This is substantially below the 9.6 percent of the national poverty population that was estimated by the National Survey of Homeless Assistance Providers and Clients to be homeless sometime in 1996.¹⁴ If we estimate that the actual number of homeless public assistance recipients was 9.6 rather than 6.8 percent of the 2002 caseload, our estimate of the total homeless population rises

proportionately, producing the high-range estimate point-in-time estimate shown in Table 11 of 111,000 homeless persons.

Despite the uncertainty associated with using available data to estimate Los Angeles' homeless population, an estimate of the number of homeless people and the size of homeless subgroups is needed to quantify the scope of services needed to help each segment of the population escape homelessness. We believe that the estimate shown in Table 8 draws on the best information that is available at the time

Table 11 High Range Estimate of Los Angeles County Point-in-Time Homeless Population in 2002 Based on 1996 NSHAPC annual rate for the U.S. poverty population Homeless Population Estimates Rounded to the Nearest 100	
Estimated Total Point-in-Time Homeless Population in 2002 Based on 6.8% of Los Angeles County Public Assistance Recipients Identified as Homeless	78,600
Factor for Increasing Estimate to Reflect 9.6% Annual Homeless Rate among Public Assistance Recipients	1.41
High Range Estimate of Los Angeles County Homeless Population	111,000

of this report and represents the most reliable estimate of Los Angeles County's homeless population that can be produced using existing information.

ENDNOTES

¹ U.S. Census Bureau (2002)/Census 2000, Summary File 3, Table P87.

² U.S. Census Bureau (2002)/Census 2000, Summary File 3, Table H73.

³ Point-in-time homeless rate in the U.S. in 1996 based on: (1) ratios of homeless population to U.S. population reported by Burt, Martha; Aron, L.; and Lee, E. (2001)/ *Helping America's Homeless: Emergency Shelter or Affordable Housing?* Washington, D.C., The Urban Institute Press, Table 2.8, p. 43; (2) Homeless counts reported in *Helping America's Homeless*, Table 2.8; (3) U.S. poverty population from the U.S. Census Bureau/BLS estimates, March 1996 CPS survey.

⁴ The Winter Shelter Survey provides the best data for Los Angeles County that we were able to identify for this step of breaking out the annual homeless populations of family members and single adults by duration of homelessness, but the reader should note that it is somewhat arbitrary to assume that the likelihood of having multiple spells of homelessness over a multi-year period is equal to the likelihood of having multiple spells of homelessness within a single year. The NSHAPC survey led my Martha Burt (see endnote above) deflated the projected annual homeless population by about 14 percent to account for multiple spells of homelessness in the same year (Table 2.9, page 47), while the deflation factors used in this report reduce the annual population by 6 percent. However, it should be noted that as used for the estimate in this report, this factor affects the distribution of the annual homeless population into groups based on duration of homelessness, but it does not affect the size of the annual population. The factors from the NSHAPC survey used to convert the point-in-time population to an annual population (3.51 for family members, 3.02 for single adults) have already been adjusted to account for multiple spells of homelessness in the same year. If the NSHAPC data is more accurate than the Winter Shelter Survey data in describing multiple spells of homeless in the same year, then this would suggest that the annual population of short-term homeless is somewhat larger and the annual population of long-term homeless is

somewhat smaller than we show in our breakout of the estimated annual homeless population, but the total size of the estimated population would remain the same.

⁵ These calculations are shown in Table 10, page 78, *Homeless in LA*, Economic Roundtable, 2004.

⁶ The result of applying filters to all of the Public Use Microdata Records from the 2000 Census for Los Angeles County and the United States, to isolate working-age homeless residents in noninstitutional group quarters, was to identify 27,889 homeless residents in Los Angeles County, accounting for 0.45 percent of the population, and 647,502 homeless residents in the U.S., accounting for 0.35 percent of the U.S. population. Accordingly, Los Angeles County's homeless rate is 29% higher than the U.S. rate. The filtering steps for isolating records of homeless residents in PUMS data are described in Chapter 10 of this report. There are at least two reasons why this approach might identify fewer homeless residents per capita in Los Angeles than in the U.S., and thus under-report Los Angeles County's rate of homeless relative to the U.S. rate: (1) this filtering process looked only at the population of working age (16-64 years) adults, and it is possible that Los Angeles County has an atypically high rate of homelessness among children due to its high poverty rate and high housing costs; (2) Los Angeles County may have a higher percent of its homeless population in outdoor locations that were not canvassed by the Census than the United States as a whole.

⁷ U.S. Census Bureau, Table P87, "Poverty Status in 1999 by Age", for Los Angeles County and the United States, Summary File 3, 2000 Census.

⁸ Ibid.

⁹ Tables H33 and HP87, "Total Population in Occupied Housing Units" and "Household Income in 1999 by Gross Rent as a Percentage of Income", for Los Angeles County and the United States, Summary File 3, 2000 Census.

¹⁰ Shelter Partnership, "The Number of Homeless People in Los Angeles City and County July 1993 to June 1994," November 1995, Los Angeles, California.

¹¹ Ibid, p. 14.

¹² A report by Institute for the Study of Homelessness and Poverty at the Weingart Center, "*Homeless in Los Angeles: Summary of Recent Research*," summarizes findings about the duration of homelessness from nine studies throughout the U.S. The estimated in this report of percent of homeless residents that are chronically homeless is well within the range of comparable estimates reported in these nine studies. In an additional study, Ellen L. Bassuk and Jennifer N. Perloff report that "Between 10 percent and 18 percent of single homeless adults are long-term shelter users (use shelters 180 days or longer)." (*Multiply Homeless Families: The Insidious Impact of Violence*, Housing Policy Debate, Volume 12, Issue 2, Fannie Mae Foundation 2001.)

¹³ The February 1996 homeless rates found by the National Survey of Homeless Assistance Providers and Clients were higher than those found in October 1996. We are using the higher rate from this study for our low-range estimate. Given the above-average housing costs and poverty rates in Los Angeles County, the results produce what appears to be a minimal estimate of the county's homeless population. These rates can be found in: Burt, Martha; Aron, L.; and Lee, E. (2001)/ *Helping America's Homeless*, Table 2.8, p. 43.

¹⁴ Burt, Martha; Aron, L.; and Lee, E. (2001)/ *Helping America's Homeless: Emergency Shelter or Affordable Housing?* Washington, D.C., The Urban Institute Press, p. 50.

Chapter 8

Scope of Services and Cost to End Homelessness

OVERVIEW

How many people must be helped and what will this help cost to end homeless in Los Angeles?

In this chapter we provide estimates of the number of people who will need each type of housing and service and the local costs to meet these needs in order to end homelessness in Los Angeles County over the next ten years. These estimates are produced using a ten-year population model that has been developed by the Economic Roundtable. In many instances this model relies on crude or estimated data that needs to be improved upon. But currently available data is sufficiently reliable to provide a roadmap for beginning the work of ending homelessness – the task is sufficiently large that in the near future we do not risk over-shooting the mark in providing any type of needed housing or service.

It is costly to end homelessness because this requires providing incomes and housing for the region's most acutely impoverished residents. An unfortunately large share of the region's residents have episodes of acute poverty, and during this crisis many residents experience homelessness and become vulnerable to recurrent or protracted stints of homelessness. **To eliminate these conditions that are the seedbed of homelessness the region must address long-neglected problems of inadequate job skills, lack of jobs, and insufficient affordable housing for its poorest residents.**

FOUR KEY FACTORS THAT AFFECT THE SIZE OF THE HOMELESS POPULATION AND THE COST OF ENDING HOMELESSNESS

The size of the homeless population as well as the cost of ending homelessness hinge in large measure on four factors:

1. *How many additional people become homeless each year?*

We estimate that currently, over the course of each year, unduplicated new homeless residents replace 65 percent of the previous year's homeless

population. The most important tool for ending homelessness is to reduce this level of new entrants into homelessness.

2. *How many adults return to the labor force after experiencing homelessness?*

To the extent that people earn an income, particularly an income from steady employment in a living wage job, it becomes unnecessary to support them through public programs.

3. *How many people receive all of the public aid for which they are eligible?*

Homeless residents will have an income floor that significantly reduces the gap between their needs and the funds available to meet those needs if they receive all of the benefits for which they are eligible, including: CalWORKs, General Relief, Supplemental Security Income, Social Security Disability Insurance, Social Security, Workers Compensation, Unemployment Insurance, Disability Insurance, Veterans Affairs Benefits, Food Stamps, Medi-Cal, and Earned Income Tax Credits.

4. *How much of their own spendable resources do homeless households contribute to paying for affordable or subsidized housing if they are unable to pay for market rate housing?*

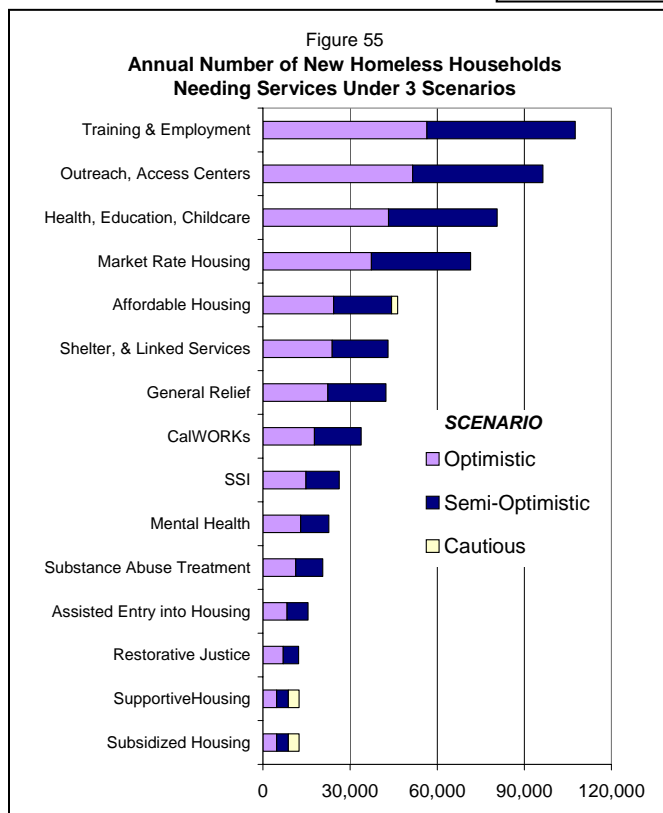
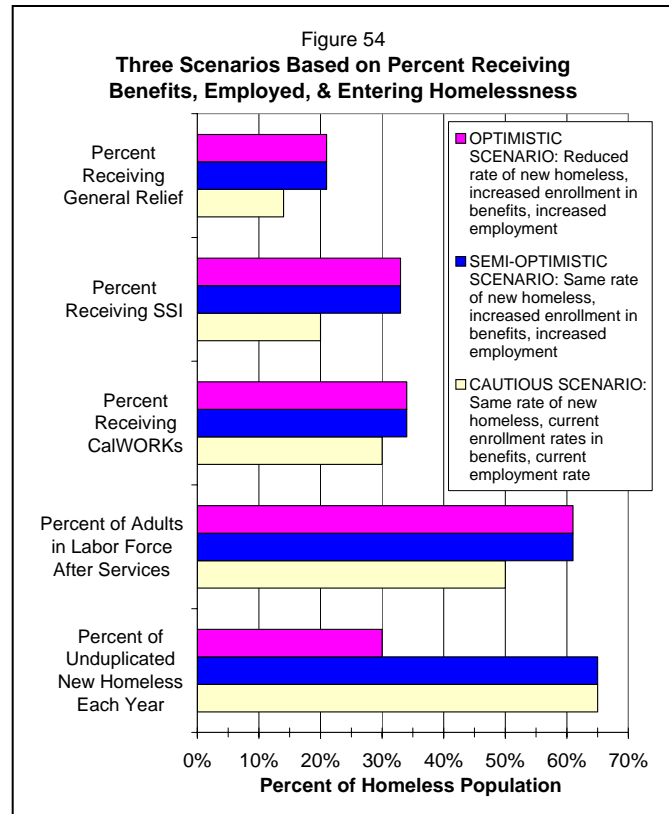
The scenarios that follow assume that residents in affordable or subsidized housing will contribute the equivalent of 40 percent of their spendable resources (the combined value of earned income, cash public assistance, and Food Stamps) to pay for rent. We also present a scenario with a sliding scale of subsidies for affordable housing, in which households with the potential to increase their income contribute an additional 5 percent of their spendable resources each year for rent. Estimates of the percent of homeless residents that will be able to afford each type of housing are shown in Table 12.

CREATING FOUR SCENARIOS FOR ENDING HOMELESSNESS

To estimate the cost of different strategies for ending homelessness we have developed four scenarios based different combinations of the four key factors for determining the size of the homeless population, income levels, and the cost of housing discussed above. Many other scenarios are conceivable. These four were chosen because they represent a spectrum of realistic policy alternatives.

The assumptions about income and population size that underlie three of the four scenarios are shown in Figure 54. The number of homeless households projected to need each type of service under the three scenarios is shown in Figure 55.

- In the **cautious scenario** the flow of new entrants into homelessness remains unchanged (65 percent annual replacement rate); 30 percent of homeless residents are enrolled in CalWORKs, 20 percent in SSI, and 14 percent in General Relief; and 50 percent of adults join the labor force.
 - *This results in the largest homeless popula-*

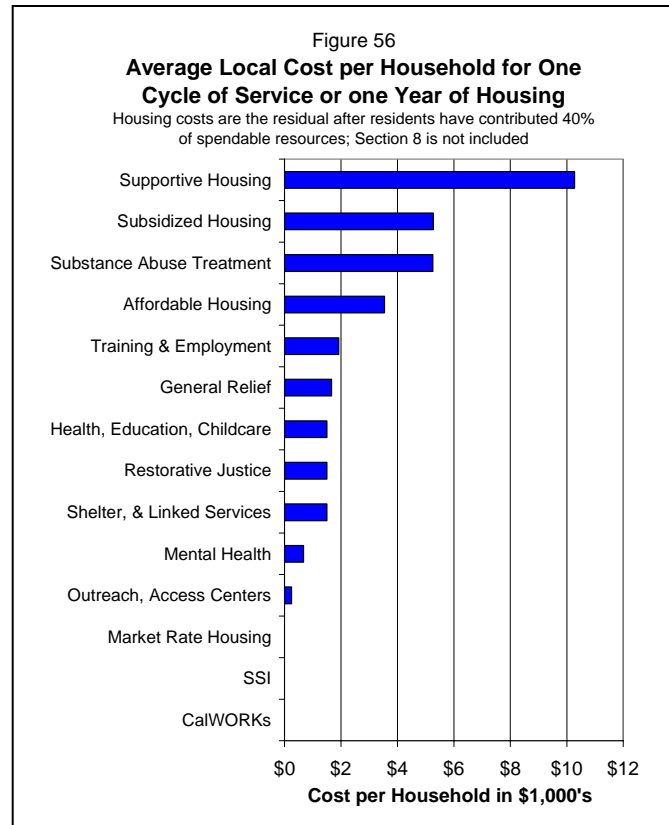


tion with the lowest income of any of the four scenarios.

- In the **semi-optimistic** scenario there is no reduction in the flow of new entrants into homelessness but better service delivery outcomes are achieved: 34 percent of homeless residents are enrolled in CalWORKs, 33 percent in SSI, and 21 percent in General Relief; and 61 percent of adults join the labor force.
 - *This results in a population that is still as large as the cautious scenario but*

with more income to use in paying for their own living costs.

- The **optimistic** scenario retains these improved service delivery outcomes, but it adds the assumption that the flow of new entrants into homelessness is reduced to a 30 percent annual replacement rate.
 - *This results in a much smaller homeless population that continues to have the comparatively high income levels shown in the semi-optimistic scenario.*



- The fourth scenario, called **modified optimistic**, is not shown in Figures 54 or 6, but is discussed later. This scenario (which has a sliding scale of rent for some tenants) does not change the size or income level of the homeless population; by these measures it is the same as the optimistic scenario. However, the amount of housing subsidies decreases over time as service programs help clients increase their earnings and move into market rate housing.

Highlights about the annual number of new households projected in Figure 55 to need each type of service include:

- In contrast to the cautious scenario, the semi-optimistic scenario has the effect of shifting homeless residents into less heavily subsidized housing because they have higher incomes as a result of higher rates of employment and enrollment in public assistance programs.
- The optimistic scenario has the most dramatic impact, reducing the number of people needing housing subsidies and services by more than half. **The key to ending homelessness is reducing the number of new people who become homeless.**

- Under all scenarios, **training and job placement for adults re-entering the labor force is the service needed by the greatest number of persons.** Information about current service levels shown later in this chapter suggests that **there is a very large shortfall in the availability of employment services for homeless residents.**

Highlights about the projected annual cost of each type of service for each household that uses the service, as shown in Figure 56, include:

- By far the most expensive service is supportive housing, which includes both deeply subsidized rents and on-site social services. The average cost is estimated to be \$10,275 per year after the tenant's contribution to rent.
- The second most expensive service is subsidized housing for very low income homeless residents. The average cost is estimated to be \$5,275 per year after the tenant's contribution to rent.

Table 12
Estimated Take-up Rate for Services and Local Costs to Pay for One Cycle of Service or Subsidize One Year of Housing

Type of Assistance	Local Cost per Household	Percent of Homeless Population Receiving Each Type of Assistance
Outreach, Access Centers	\$250	75%
Shelter, & Linked Services	\$1,500	50%
Restorative Justice	\$1,500	20%
Mental Health	\$675	25%
Substance Abuse Treatment	\$5,250	20%
Medical, Dental, Life Skills, Education, Food, Clothing, Childcare, Other	Average of \$1,500	50%
General Relief	\$1,667 per year average	14% to 21% depending on scenario
CalWORKs	No local cost	30% to 34% depending on scenario
Supplemental Security Income (SSI)	No local cost	20% to 33% depending on scenario
Training & Employment	\$1,917 per labor force entrant	50% to 61% enter labor force, depending on scenario, 2/3 need training or job placement.
Assisted Entry into Housing	\$5,000	20%
Market Rate Family Housing	No subsidy	22% to 30% depending on scenario: families with \$16,000+ in annual spendable resources
Market Rate Individual Housing	No subsidy	25% to 39% depending on scenario: single adults with \$12,000+ in annual spendable resources
Affordable Family Housing	\$5,150 yearly after tenant rent contribution	3% to 8% depending on scenario: families with \$10,000 to \$15,999 in annual spendable resources
Affordable Individual Housing	\$3,155 yearly after tenant rent contribution	14% to 28% depending on scenario: single adults w/ \$7,000-\$11,999 in annual spendable resources
Subsidized Family Housing	\$7,726 yearly after tenant rent contribution	0.3% to 1% depending on scenario: 1/2 of families with <\$10,000 in annual spendable resources
Subsidized Individual Housing	\$5,160 yearly after tenant rent contribution	6% to 8% depending on scenario: 1/2 of single adults with <\$7,000 in annual spendable resources
Supportive Family Housing	\$12,726 yearly after tenant rent contribution	0.3% to 1% depending on scenario: 1/2 of families with <\$10,000 in annual spendable resources
Supportive Individual Housing	\$10,160 yearly after tenant rent contribution	6% to 8% depending on scenario: 1/2 of single adults w/ <\$7,000 in annual spendable resources

- The fact that households in these deeply subsidized housing units are likely to continue to need these subsidies indefinitely has major budget implications as new cycles of homelessness continue to occur, bringing in additional households that also need these subsidies.

The elements of the equation for estimating the budget for ending homelessness are the cost of each service component and the number of people who will need and use each service component. These cost and service level estimates are summarized in Table 12. The four scenarios that follow build on these population and cost assumptions.

FOUR SCENARIOS OF 10-YEAR COSTS TO END HOMELESSNESS

CAUTIOUS SCENARIO

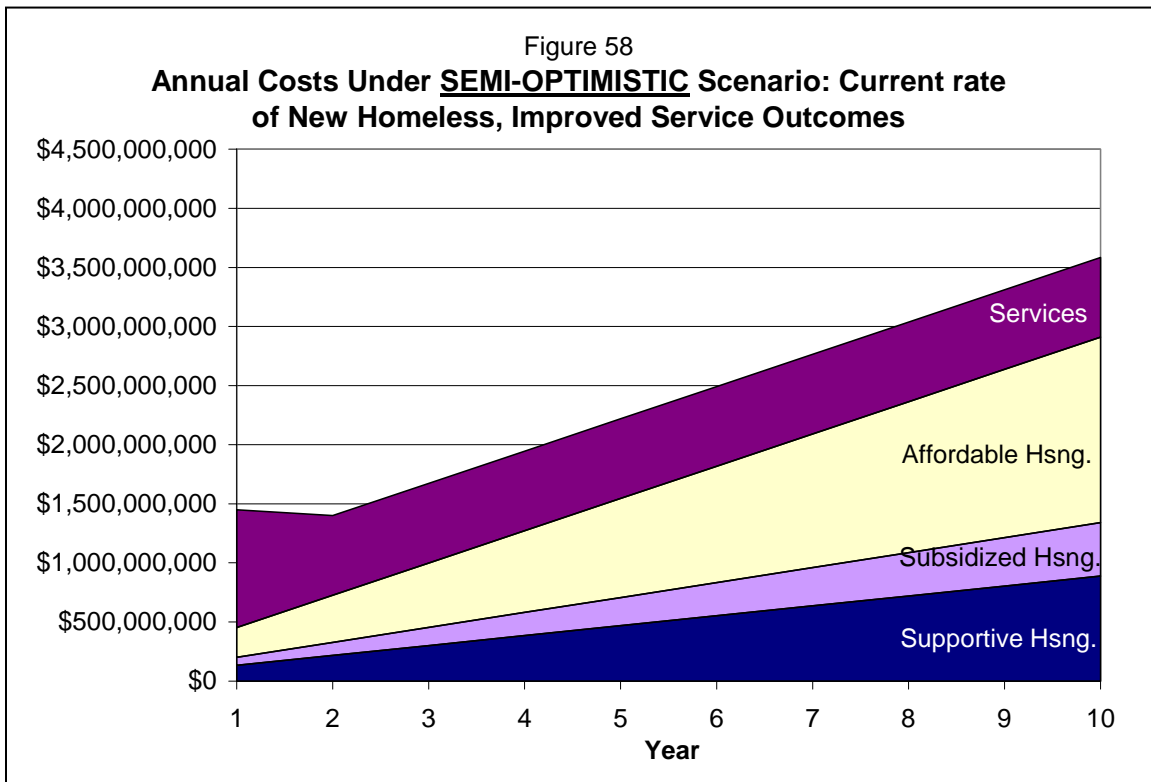
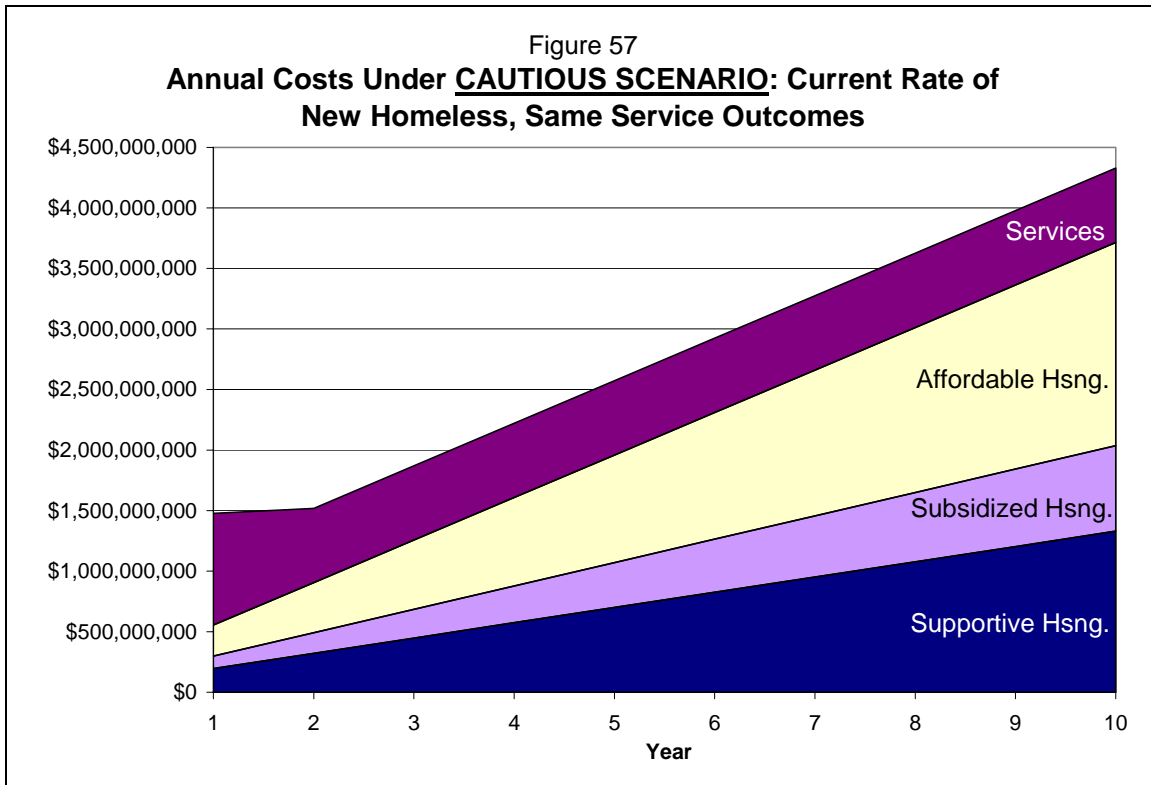
In the cautious scenario, shown in Figure 57, the flow of new entrants into homelessness is not reduced and the level of income received by homeless residents is not substantially increased over current levels. The result is large and steadily growing costs to house a steadily increasing population of residents in housing that requires rent subsidies, plus costs for services.

- Total costs in the first year are projected to be about \$1.47 billion, with \$920 million for services and \$550 million for housing.
- By the tenth year annual costs are projected to reach \$4.3 billion, with \$600 million for services and \$3.7 billion for housing. The growing number of people in subsidized housing results in growing housing costs.

SEMI-OPTIMISTIC SCENARIO

In the semi-optimistic scenario, shown in Figure 58, the flow of new entrants into homelessness is not reduced, but the level of income received by homeless residents is increased over current levels as a result of higher earned income and greater enrollment in public assistance programs. The result is somewhat smaller but still steadily growing costs to house the increasing population of residents receiving housing subsidies, plus costs for services.

- Total costs in the first year are projected to be about \$1.45 billion, with \$1 billion for services and \$450 million for housing.
- By the tenth year annual costs are projected to reach \$3.6 billion, with \$670 million for services and \$2.9 billion for housing.
- An important finding from this scenario is that improving services to help homeless residents obtain higher incomes from employment as well as



public benefits is important, but by the tenth year this achieves only a 16 percent reduction in annual costs compared to the cautious scenario.

- The steady annual growth in the number of households needing long-term housing subsidies, even though they have higher incomes than in the cautious scenario, drives long-term housing costs to a high level.

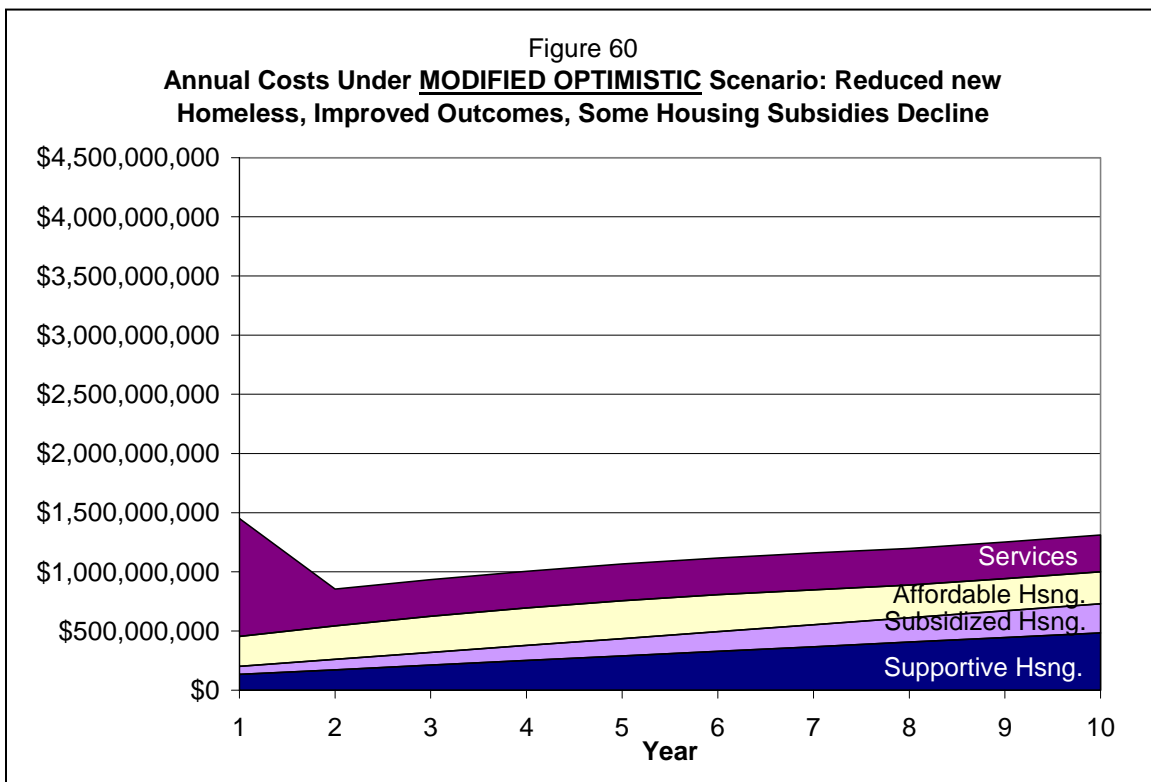
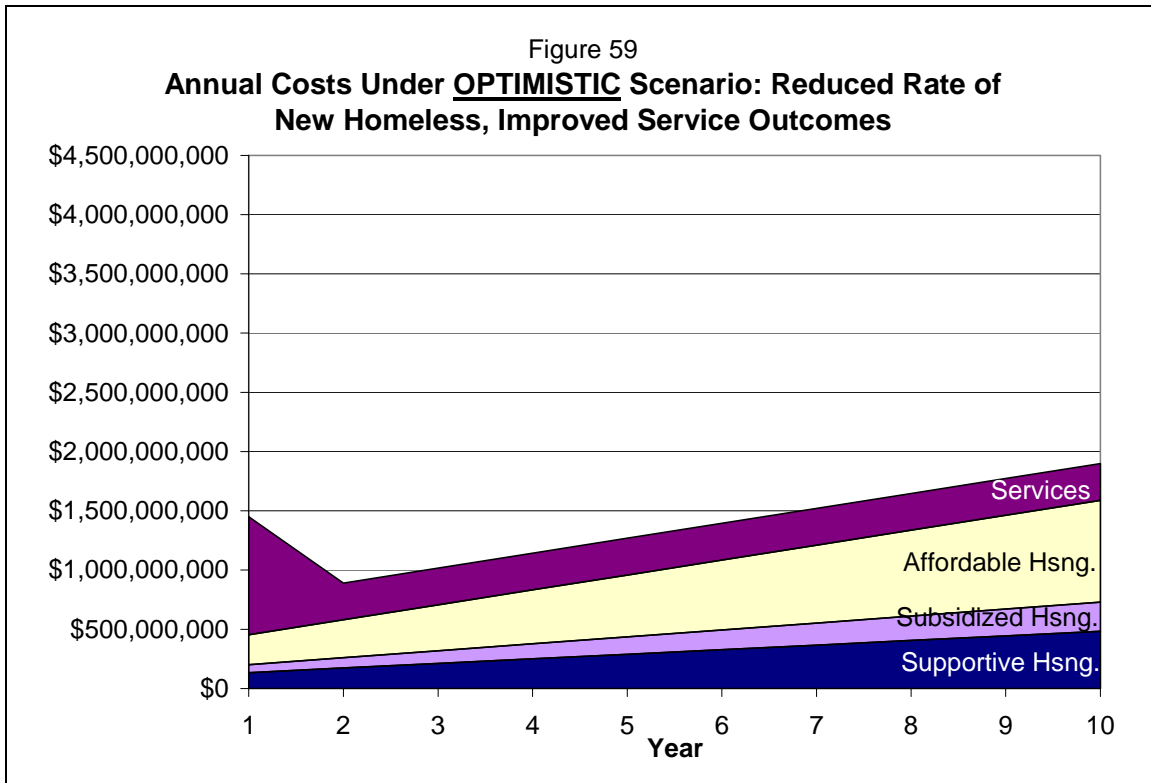
OPTIMISTIC SCENARIO

In the optimistic scenario, shown in Figure 59, the annual replacement rate of currently homeless residents by newly homeless residents drops from 65 percent to 30 percent, the labor force participation rate increases from 50 to 61 percent, and the percent of the population enrolled in CalWORKs, SSI and General Relief bumps up to 34, 33, and 21 percent, respectively. The result is a much smaller population receiving services and housing subsidies.

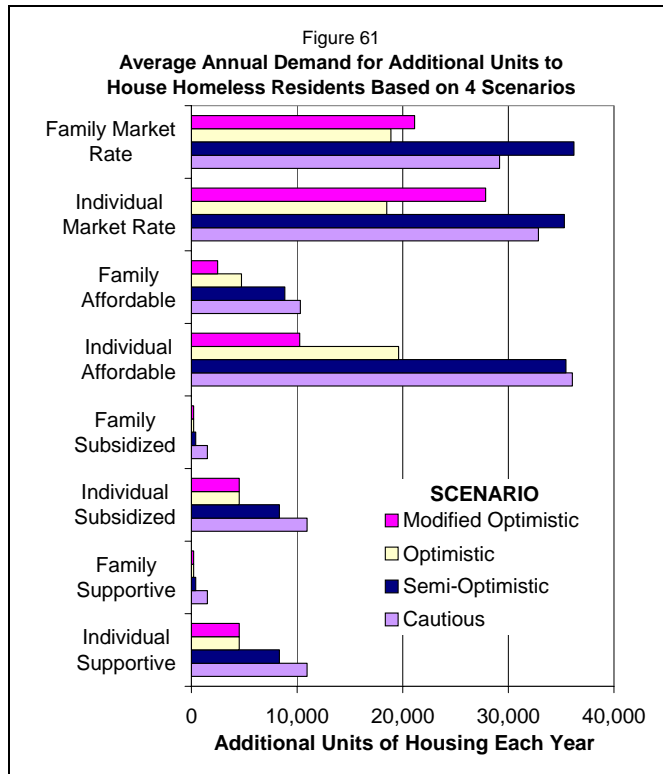
- Total costs in the first year are projected to be about \$1.45 billion, with \$1 billion for services and \$450 million for housing.
- The drop in expenditures in the second year shown in Figure 59 corresponds with a drop in the homeless population after homeless prevention measures take effect.
- By the tenth year annual costs are projected to reach \$1.9 billion, with \$300 million for services and \$1.6 billion for housing.
- An important finding from this scenario is that effective actions to reduce the number of people entering homelessness, for example by eliminating the flow of people from major public institutions into homelessness, will reduce the tenth year outlay for homeless residents by 47 percent. **Preventing homelessness has a very powerful impact on reducing costs.**
- Even with greatly improved prevention there is still roughly 10 percent annual growth the number of households receiving housing subsidies projected under this optimistic scenario.

MODIFIED OPTIMISTIC SCENARIO

In the modified optimistic scenario, shown in Figure 60, all of the assumptions from the optimistic scenario about the rate of new entrants into homelessness, labor force participation rate, and enrollment in public assistance remain the same, but the subsidies for affordable housing decrease over time. These households with modest but still significant spendable resources (single adults with \$7,000 to \$11,999 and families with \$10,000 to \$15,999) are expected to increase their contribution to rent costs each year. In the first year they would contribute 40 percent of spendable



resources, in the second year the contribution would be five percentage points higher, with the same increase again in each following year. This scenario assumes that these households will be able to increase their earned income and achieve a transition into market rate housing. The result is that a smaller population receives services and housing subsidies, with only about 5 percent annual growth the number of households receiving housing subsidies. By the tenth year of the modified optimistic scenario the annual costs to end homelessness are projected to reach roughly \$1.3 billion, with roughly \$1 billion of it for housing subsidies.



The estimated annual demand for additional housing units of each type in the four scenarios is shown in Figure 61. The average number of additional units needed each year during the first ten years is estimated to be:

- Cautious scenario: 133,300 units, 71,300 of them with subsidies
- Semi-optimistic scenario: 133,300 units, 61,800 of them with subsidies
- Optimistic scenario: 71,200 units, 33,800 of them with subsidies
- Modified optimistic scenario: 71,200 units, 22,200 of them with subsidies

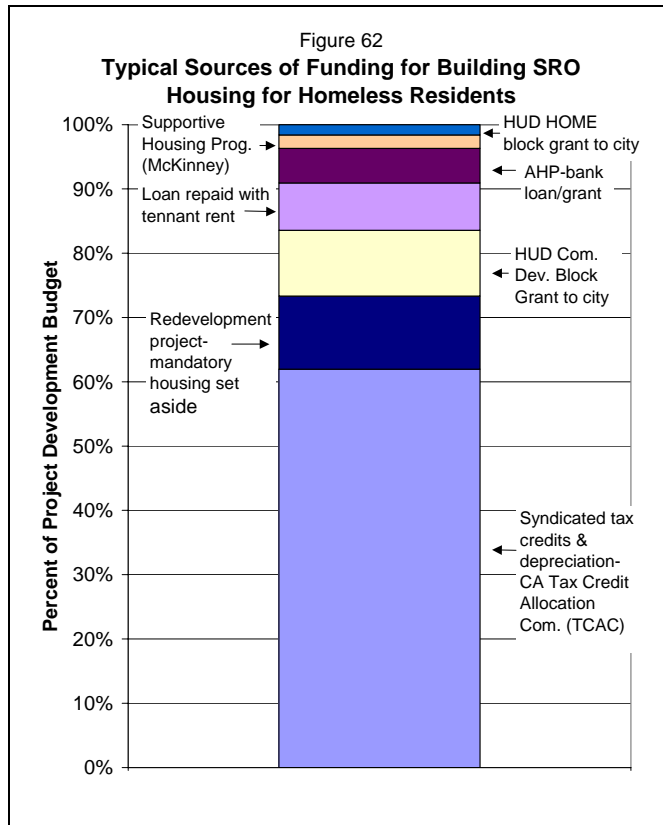
Even under the most favorable scenario that is currently foreseeable, the costs to end homelessness are substantial. In the following sections we look at how to pay for the costs of housing and services.

SOURCES OF FUNDING FOR HOMELESS HOUSING

When we look at how LA's highly skilled cadre of nonprofit housing developers assemble financing packages to pay for building housing for homeless residents we are likely to see a combination of funding sources somewhat like what is shown in Figure 62. Figure 62 shows a typical budget for developing Single

Room Occupancy (SRO) housing for homeless single adults in downtown Los Angeles. Other types of homeless housing in other communities use different combinations of funding, but for all types of homeless housing, most of the funding does not originate from local government or local organizations. Major funding sources for SRO housing and their constraints are as follows:

- Over 60 percent of the funding is likely to be obtained by syndicating tax credits and depreciation for the housing and selling it in the commercial market. The federal government has an annual cap on these financial instruments, and divides this allocation among states. In California the Tax Credit Allocation Committee (TCAC) decides on how to allocate this resource among housing projects. These funds can be increased by raising the federal cap or by increasing the share that the State of California allocates to homeless housing.
- In Los Angeles at least 10 percent is likely to come from tax increment funds that the Community Redevelopment Agency sets aside for affordable housing. State law requires that 20 percent of tax increment receipts from redevelopment projects be set aside for affordable housing; Los Angeles sets aside 25 percent. The amount of these funds that is available for homeless housing can be increased if more cities use their “housing set aside” for homeless housing.
- Funds that cities and counties receive from the federal Department of Housing and Urban Development (HUD) in the form of Community Development Block Grants (CDBG) and Home Investments Partnership (HOME) grants are likely to make up at least 10 percent of the financing. The amount of these funds available for homeless housing can be increased if more cities allocate them for such projects, or if the federal government increases the level of funding for these grants.



- Several percent of the funds may come from three HUD programs that are often referred to as HUD McKinney funding or Targeted Homeless Assistance Programs. These funds can be increased through increased federal allocations.
- The Affordable Housing Program (AHP) administered by banks might provide another 5 percent of the funding. These funds come as a loan that converts to a grant in 15 years.
- Rent from tenants might provide a revenue stream that repays a commercial loan for 5 to 10 percent of the project cost. In addition, rent revenue equal to 6 percent of the total project cost is likely to be set aside each year to pay operating and maintenance costs. The amount of these funds can be increased if homeless tenants have higher incomes from working or receiving public benefits.

In addition to SRO housing it is also necessary to develop housing linked to social services, housing for families, housing for youth, and affordable housing for homeless residents who are able to pay a significant portion, but not all, of their rent. Assembling funding for deeply subsidized and affordable housing is a complex undertaking that is subject to a large number of local, state and national legislative actions. Future funding mixes may change substantially based on changes in those government programs. A partial list of funding sources that are currently being mixed and matched for different types of homeless housing in different communities includes:

FEDERAL

Community Development Block Grant (CDBG)
Home Investment Partnership Act (HOME)
Homeownership Opportunities for People Everywhere (HOPE)
Housing Opportunities for Persons with AIDS (HOPWA)
HUD 202/HUD 811 Program Funds
HUD Section 8 Moderate Rehabilitation
Low-Income Housing Preservation Program (LIHPP)
McKinney Act Funds, including Shelter Plus Care and Section 8 Moderate Rehabilitation
Low Income Housing Tax Credits
Public land donations

STATE

California Housing Finance Agency (CalHFA)
Housing Loan Insurance Fund (CaHLIF)
Low Income Housing Tax Credits – State
Mortgage Revenue Bonds
Mortgage Credit Certificate (MCC) Program
HELP (Housing Enabled By Local Partnerships) Program

LOCAL GOVERNMENT

- Housing Trust Funds
- Fee Waivers
- In-lieu fees
- Redevelopment Area Tax Increment Funds
- Local Tax Revenue
- Public land donations

PRIVATE

- Commercial loans
- Rents
- Community Reinvestment Act (CRA)
- Foundations
- Private donations

In addition to building new affordable housing units, a critical tool for housing low-income residents is subsidizing the rent for existing housing. The principle federal program for helping lower income residents secure decent, affordable housing is Section 8. Under this program eligible households pay approximately 30 percent of their income towards renting privately owned housing and Section 8 funds pay the remainder of the rental cost, within a rent ceiling set by HUD. Any household with an income less than 50 percent of the HUD determined median family income for the Los Angeles County is potentially eligible to have their rent subsidized under this program. For a single person the maximum income is \$20,850; for a family of three it is \$26,800.

Forty-four thousand (44,000) households currently participate in the Section 8 program in the City of Los Angeles. This represents nearly 5 percent of the City's rental housing market. Unfortunately, there are very long waiting lists – with most housing authorities at least several years - for receiving Section 8 assistance. In recent years, Congress has limited funding for Section 8 and adjusted the rules resulting in local housing authorities helping fewer needy households. In the budget proposal submitted to Congress for next year, the administration seeks to cut the Section 8 program by 40 percent over the next five years. This will result in a loss of 250,000 rent subsidy vouchers nationwide in the first year, including over 35,000 fewer vouchers in California.

Preserving and expanding the Section 8 program is critically important for ending homelessness in Los Angeles County. This program provides the bridge between families of modest means and the available stock of rental housing in the region.

In summary, even though the federal government controls most of the funding used to build homeless housing and subsidize the rent of existing housing,

local government still has significant discretion in deciding whether or not to use available grant programs for these projects. Local governmental jurisdictions in Los Angeles County receive a total of \$220 million each year from HUD (through Community Development Block Grants, HUD Home Investments Partnership or “HOME” grants, and Housing Opportunities for Persons with HIV/AIDS or “HOPWA” grants) that can be used to build homeless housing, along with meeting other community development, housing and social service needs. At this time only a handful of cities in the county are using any of their HUD block grant funds or housing funds generated by redevelopment projects to build housing for their homeless residents.

To house LA’s homeless residents it is essential that:

1. All cities participate actively and equitably in allocating local revenues such as tax increment funds from redevelopment areas for homeless housing.
2. All cities participate actively and equitably in ensuring that all new housing developments include affordable housing.
3. All cities make increasing use of block grant funds and state and federal financing tools for developing affordable housing.
4. State and federal agencies increase the level of financing that is available to local government and nonprofit developers to build homeless housing.
5. The federal Department of Housing and Urban Development expand the Section 8 rent subsidy program.

Chapter 9

Local Outlays for Homeless Residents

LOCAL GOVERNMENT OUTLAYS

Forty-eight cities, 14 county departments, and 2 job training jurisdiction responded to a letter of inquiry about homeless residents in their jurisdiction, and their services and recommendations for helping those residents. Several elements of these responses are summarized in Table 16 – each jurisdiction’s estimate of the size of its homeless population, and its expenditures for police services and well as housing and human services for homeless residents.

Based on the information assembled in Table 16 it appears that local public sector entities in Los Angeles County spend approximately \$405 million each year on homeless services and housing. We estimate that this represents approximately 80 percent of local expenditures on homelessness, with another 10 percent coming from private donations and 10 percent from foundations. Altogether, an estimated \$506 million is being spent on homelessness by city, county and private agencies each year in Los Angeles County.

There is great unevenness in the amount local jurisdictions spend on homelessness. Out of the 90 units of local government in Los Angeles County that are directly responsible for developing housing development (88 cities, the county, and the Los Angeles Homeless Services Authority), only 21 units of local government spend \$10,000 or more a year on homeless services and housing (Table 13). If we assume that it costs at least \$150,000 to build one unit of housing for a single homeless individual, only 10 out of the 88 cities in Los Angeles County

Table 13	
Local Governments Spending \$10,000 or More per Year for Homeless Services and Housing	
Jurisdiction	Annual Expenditure for Homeless Services and Housing
Los Angeles County	\$294,750,393
Los Angeles City	\$57,858,944
LA Homeless Srv. Authority	\$37,011,960
Long Beach	\$4,376,000
Pasadena	\$3,500,000
Santa Monica	\$2,119,420
Glendale	\$2,100,000
Burbank	\$637,000
Pomona	\$605,000
Lancaster	\$450,000
West Hollywood	\$389,366
El Monte	\$160,000
Carson	\$150,000
South Gate	\$103,000
Santa Fe Springs	\$90,000
Cerritos	\$70,000
Norwalk	\$60,000
Inglewood	\$25,000
La Verne	\$20,000
Glendora	\$17,000
Baldwin Park	\$16,000

spend enough each year on homelessness to build housing for one person.

Two-thirds of the cities in the county make no identifiable expenditures on behalf of homeless residents, and only one-in-ten spend enough to build housing for one homeless person each year.

What do these expenditures amount to when we consider them as contributions from the residents in each community? Local outlays for homeless housing and services are shown on a per capita basis in Table 14. **Only 18 units of local government, including 16 cities, spend \$1 or more a year per resident on homeless services and housing. Just 5 cities report spending \$10 or more per resident a year.**

Los Angeles County reports the highest per capita outlays - \$31 a year per resident. In

Jurisdiction	Services & Housing as % of Aggregate Income
Los Angeles County	0.152%
Pasadena	0.093%
Los Angeles	0.077%
Santa Monica	0.059%
Long Beach	0.051%
Glendale	0.049%
Santa Fe Springs	0.035%
Pomona	0.031%
West Hollywood	0.029%
Irwindale	0.026%
Burbank	0.025%
Lancaster	0.023%
LA Homeless Srv. Authority	0.021%

the case of the county as well as

most cities, these expenditures are largely comprised of funds received through federal and state revenue transfers, rather than locally raised taxes. As can be seen later in Table 16, nearly two-thirds of the county's outlays are for public assistance benefits.

What do these municipal expenditures amount to as a share of total community income? Table 15 lists 13 units of local government, including 11 cities, that spend one-fiftieth of one percent or more of aggregate household income – a measure of total financial resources in a community - on homeless housing and services. **The combined total of all public expenditures for homelessness in Los Angeles County amounts**

Jurisdiction	Homeless Expenditure per Resident
Los Angeles County	\$31
Pasadena	\$25
Santa Monica	\$24
Los Angeles City	\$15
West Hollywood	\$11
Glendale	\$10
Long Beach	\$9
Burbank	\$6
Santa Fe Springs	\$5
LA Homeless Srv. Authority	\$4
Pomona	\$4
Lancaster	\$4
Irwindale	\$3
Bradbury	\$2
Carson	\$2
El Monte	\$1
Cerritos	\$1
South Gate	\$1

to one-fifth of one percent of the income of all of households in the county.

LOCAL OUTLAYS COMPARED TO THE COST TO END HOMELESSNESS

How big is the gap between what is now being spent and the total cost of an comprehensive initiative to end homelessness? Based on comparing current expenditures for homelessness to the total projected cost of ending homelessness in the Modified Optimistic Scenario, **current expenditures already equal 35 to 59 percent (depending on the year) of the estimated annual cost of an effective strategy to end homelessness over the next ten years.**

The reason why it will cost more than is already being spent to end homelessness is that achieving this goal entails meeting the housing, employment and social service needs of most of the county's acutely impoverished residents. Over the course of ten years this includes providing employment assistance to over half a million people and subsidized housing for over a third of a million households. The task of preventing and eliminating homelessness unavoidably involves solving difficult and neglected housing, employment and social service problems for the county's poorest residents.

Where can the additional funding that is needed come from? The logical beginning point for a realistic initiative to address homelessness is recognition that homelessness is the result of failures in the region's economy, housing infrastructure, social service network, educational system, and families that leave individuals disconnected from shelter and often from society.

Homeless residents are found in every community in the Los Angeles region. While the results of poverty are most apparent in high-poverty neighborhoods, poverty itself represents a collective failure of the region's residents and their economy. Every resident and every community in the region is part of the social fabric that has produced these failures, and every resident and community is responsible for making a fair-share contribution to correcting these problems. **To end homelessness every community must contribute fairly to providing funding and sites to meet the needs of the region's homeless residents.**

There are enormous disparities in the resources that different cities devote to addressing homelessness, and the willingness of different cities to provide sites for homeless services and housing. When we look at Table 16, which shows all known expenditures by local government to address homelessness, we see that many of the wealthiest communities in the region are bystanders, reporting that they

spend nothing to address homelessness or not even responding to inquiries about this problem.

Sources of resources to fill the gap between current expenditures and the total cost to end homelessness include:

1. Additional contributions from cities that currently contribute nothing, or contribute very little in relation to their financial resources, to meeting housing and social service needs of homeless residents. If every city in the county that is spending less than one-twentieth of one percent of aggregate household income on homeless housing and services brought spending up to this level, it would add \$38 million annually to local resources for ending homelessness. In practical terms this would mean that a family with an annual income of \$100,000 would contribute \$50 to eliminate homelessness.
2. Additional employment and training services for homeless residents by Workforce Investment Boards. Only \$202,956 is reported being expended on employment services for homeless residents. The scenarios presented in the last chapter suggest that \$90 to \$200 million will need to be spent annually to bring employable homeless adults back into the labor force. Some of this human capital investment can come through welfare-to-work programs, but it will also require workforce investment boards to assign a much higher priority to serving homeless residents.
3. Land use management policies that contribute to ending homelessness. All cities must become actively and equitably engaged in contributing land and affordable housing for homeless residents as well as sites for services. This includes using local physical assets as well as the financial assets to:
 - a. Establish inclusionary zoning ordinances that provide mandates as well as effective incentives for building housing that is affordable to people with incomes as low as 10 percent of the median income.
 - b. Establish affordable housing requirements for housing developers to offer below-market units.
 - c. Provide publicly owned sites for development of low-income housing and homeless service delivery facilities.
4. Aggressive leveraging of local outlays to obtain significant increases in federal and state funding to provide adequate housing and social services to end homelessness. The county and all cities must become actively engaged in a unified lobbying effort to obtain adequate resources from other levels of government to address homelessness.

5. Additional charitable and philanthropic funding is essential for ending homelessness. Foundations, religious organizations, community organizations, and private citizens must be called upon to give more generously to programs that will prevent and end homelessness.

Detailed Information About Local Outlays

Information about all known city estimates of local homeless populations and all known municipal outlays for homeless residents are shown below in Table 16.

Table 16 Local Government Homeless Estimates and Expenditures							
Jurisdiction	Homeless Population		Homeless Expenditures		Population	Annual Expenditure per Resident for Homeless Services & Housing	Average Income per Resident in 1999
	City's Estimate	Interval	Police	Services and Housing			
CITIES							
Agoura Hills	0				21,610	\$0.00	\$37,310
Alhambra					87,976	\$0.00	\$16,426
Arcadia	100	day		0	54,899	\$0.00	\$26,915
Azusa	12	day	10,000	0	46,116	\$0.00	\$12,564
Baldwin Park	928	6 month		16,000	78,367	\$0.20	\$11,064
Bell Gardens					45,198	\$0.00	\$8,162
Bellflower	75	year	165,150	475	75,057	\$0.01	\$15,331
Bradbury				1,500	894	\$1.68	\$54,823
Burbank	100	day		637,000	102,835	\$6.19	\$24,847
Carson	200			150,000	93,181	\$1.61	\$16,266
Cerritos	452	year		70,000	53,143	\$1.32	\$24,302
Claremont	7	year		3,000	35,551	\$0.08	\$26,851
Covina	100	year	700		48,114	\$0.00	\$19,470
Culver City			100,000	0	39,829	\$0.00	\$28,027
Diamond Bar	0			0	58,089	\$0.00	\$24,515
Downey	75	year			110,441	\$0.00	\$17,596
El Monte	432	year	130,000	160,000	119,474	\$1.34	\$9,986
Gardena					59,836	\$0.00	\$16,462
Glendale	500	day	210,000	2,100,000	200,157	\$10.49	\$21,340
Glendora	190	year		17,000	50,835	\$0.33	\$25,107
Hawthorne	157				86,371	\$0.00	\$14,422
Hermosa Beach					19,175	\$0.00	\$51,701
Inglewood	50	year		25,000	115,089	\$0.22	\$14,292
Irwindale	69	year		5,000	1,479	\$3.38	\$13,082
La Habra Heights	0		0	0	5,935	\$0.00	\$42,485
La Verne	36	year		20,000	32,512	\$0.62	\$25,951
Lakewood	2	year			81,376	\$0.00	\$21,338
Lancaster	787	year		450,000	123,147	\$3.65	\$15,827
Long Beach	5,845	day		4,376,000	473,131	\$9.25	\$18,284

Table 16 Continued

Local Government Homeless Estimates and Expenditures

Jurisdiction	Homeless Population		Homeless Expenditures		Population	Annual Expenditure per Resident	Average Income in 1999
	City's Estimate	Interval	Police	Services and Housing			
City of Los Angeles					3,807,397		\$19,674
LA Community Development							
LA Community Redevelopment Agency				17,003,500		\$4.47	
LA Housing Department				10,400,000		\$2.73	
LA Housing Authority				30,455,444		\$8.00	
LA Total	42,000	day		57,858,944	3,807,397	\$15.20	\$19,674
Monrovia	21	year		500	37,960	\$0.01	\$21,002
Monterey Park	20	year	6,000		62,629	\$0.00	\$16,825
Norwalk				60,000	106,650	\$0.56	\$13,350
Pasadena	752	day		3,500,000	138,839	\$25.21	\$26,968
Pomona	1,400	month		605,000	153,939	\$3.93	\$12,644
Rancho Palos Verdes			0	42,322	\$0.00	\$44,734	
Rolling Hills				0	1,916	\$0.00	\$109,302
San Dimas				0	35,947	\$0.00	\$27,149
San Fernando	50	day	20,000	0	24,230	\$0.00	\$10,993
San Gabriel	8	year		0	40,950	\$0.00	\$15,905
San Marino	0			0	13,281	\$0.00	\$57,552
Santa Fe Springs	70	year		90,000	17,942	\$5.02	\$14,218
Santa Monica	1,037	day		2,119,420	87,954	\$24.10	\$40,518
Sierra Madre			300		10,855	\$0.00	\$39,911
South Gate	5	year		103,000	99,172	\$1.04	\$10,229
South Pasadena	10	day			24,952	\$0.00	\$31,643
West Hollywood	175	year		389,366	36,798	\$10.58	\$37,041
Whittier					85,610	\$0.00	\$20,769
TOTAL FOR CITIES REPORTING OUTLAYS				72,757,205	7,149,160	10.18	\$19,723
WORK FORCE INVESTMENT BOARDS							
South Bay				202,956			
Southeast Los Angeles County							
COUNTY DEPARTMENTS							
LA Co Child Support Services					9,519,338	\$0.00	
LA Co Children and Family Services				6,894,763	9,519,338	\$0.72	
LA Co Community and Senior Services				912,997	9,519,338	\$0.10	
LA Co Community Development Commission				8,844,864	9,519,338	\$0.93	
LA Co District Attorney					9,519,338	\$0.00	
LA Co Emergency Shelter grants				1,854,947	9,519,338	\$0.19	
LA Co Health Services				49,140,653	9,519,338	\$5.16	
LA Co Mental Health				25,326,719	9,519,338	\$2.66	
LA Co Parks and Recreation				62,000	9,519,338	\$0.01	
LA Co Probation				1,500,000	9,519,338	\$0.16	
LA Co Public Defender				1,250,000	9,519,338	\$0.13	
LA Co Public Social Services				189,600,000	9,519,338	\$19.92	
LA Co Sheriff				9,362,250	9,519,338	\$0.98	
LA Co Veterans Affairs				1,200	9,519,338	\$0.00	
Total LA County Departments				294,750,393	9,519,338	\$30.96	\$20,365

Table 16 Continued

Jurisdiction	Homeless Population		Homeless Expenditures		Aggregate Household Income in 1999	Services & Housing as % of Aggregate Income	Rank among Jurisdictions Reporting Expenditures
	City's Estimate	Interval	Police	Services and Housing			
LOS ANGELES HOMELESS SERVICES AUTHORITY (LAHSA)							
Emergency and Transitional Housing				19,964,464			
Supportive Services				6,124,382			
Permanent Housing				4,930,808			
LAHSA Total				37,011,960	177,191,502,700	0.02089%	13
TOTAL ALL JURISDICTIONS				404,722,514	193,857,651,800	0.20877%	
Estimated Private Donations				50,590,314			
Estimated Foundation Grants				50,590,314			
Total Estimated Public & Private Local Outlays				505,903,142			

Chapter 10

Findings

Homelessness is the most extreme manifestation of poverty. The acute deprivation, desperation, and chaos inherent in homelessness destabilize the lives of individuals and also communities. In restoring shelter and intactness to the lives of placeless residents we also restore the health of our communities. The crisis of homelessness in Los Angeles is not limited to pockets of concentration in a few areas. While homeless residents are most obvious in “Skid Row,” they are also found in every community throughout Los Angeles County. This is a crisis that truly confronts every neighborhood from the beaches of Santa Monica and Long Beach to the suburban valleys.

Many Los Angeles residents are vulnerable to homelessness. This includes 12 percent of all children and 9 percent of all adults who live in acute poverty (income less than half of the poverty threshold), mentally ill residents, and individuals who are cared for by institutions such as jails and the foster care system. The number of people that we estimate to be homeless over the course of a year is equivalent to one-quarter of the population in acute poverty. The practical implications of the information assembled in this report for preventing and eliminating homelessness are summarized below.

1. *HIGH RISK POPULATIONS*

- Homeless residents are younger than the overall population. Many are children under 5 and young mothers 18 to 29 years of age.
- Roughly one-quarter of residents in acute poverty (income less than half of the poverty threshold) experience homelessness over the course of a year.
- Over one-third of the county’s residents in acute poverty are in the Metro and South Los Angeles area.
- Over half of General Relief recipients are homeless.
- African Americans are over-represented by a factor of 5 among homeless residents.

Implications

The best solution for homelessness is to prevent it. This can be achieved in part by paying particularly careful attention to the most vulnerable populations, including foster youth, mentally ill low-income residents, acutely impoverished welfare

families, and individuals being released from incarceration. Mainstream human service institutions must meet the basic needs of people entrusted to their care. Homeless programs must use their limited resources to fill gaps in the service delivery mandates of mainstream human service institutions rather than to stand-in for those institutions.

2. *COMMUNITY ENGAGEMENT*

- One-third of all homeless residents, but only one-tenth of all shelter beds, are in South Los Angeles.
- Over one-quarter of all foster youth approaching emancipation are in South Los Angeles.
- The San Gabriel Valley has almost no shelter beds; over the course of a year there are 134 homeless public assistance recipients for every shelter bed in this area of the county.
- The social safety net for preventing homelessness appears weakest in the Antelope Valley. The number of public assistance recipients who are homeless over the course of a year is equivalent to 78 percent of the valley's population living in acute poverty.
- Mentally ill homeless residents are over-concentrated in downtown Los Angeles.

Implications

Homeless services are highly concentrated in the urban center of Los Angeles but sparse in the area of greatest need – South Los Angeles, and acutely under-developed in the Antelope and San Gabriel valleys. Many cities have not acted on the reality that they are part of a regional social and economic fabric that gives rise to homelessness. To bring an end to homelessness the Los Angeles region must preserve its existing hard-won facilities and programs, and create new facilities and programs where there are unmet needs. Key steps include: (1) vastly increase the availability of homeless shelter beds and services in South Los Angeles, (2) initiate focused efforts to prevent homelessness among emancipated foster youth in South Los Angeles, (3) bring the San Gabriel and Antelope valleys up to parity with the rest of the county in the availability of beds for homeless residents, and (4) increase the availability of mental health services for homeless residents in areas outside of downtown Los Angeles.

3. *INSTITUTIONAL LINKAGES*

- More than four-fifths of the people who experience homelessness over the course of a year also receive some type of public assistance during the year.

- Over half of General Relief recipients experience homelessness. These impoverished adults are the epicenter of long-term homelessness.
- Over 1,000 foster youth are emancipated each year and roughly half become homeless.
- Roughly half of homeless youth are estimated to become involved with the justice system.
- Over 12,000 people are released from county jail each year only to enter homelessness.
- One-in-ten of the individuals on parole in Los Angeles County are homeless.
- Forty-two percent of homeless residents report having a disability, but only 6 percent receives Supplemental Security Income benefits.
- Twenty-seven percent of homeless residents report that they have a mental disability.
- Sixty percent of homeless single adults and 53 percent of families who seek last-resort refuge in Winter Shelter have just left the care of another organization that failed to solve their problem of homelessness.

Implications

There are solutions to the problems that make people homeless, but there is no single mass solution. Often, homelessness emerges out of life histories in which opportunities for trust, hope and growth have been thwarted. Lasting solutions that keep individuals out of homelessness require competent, individualized assistance as well as opportunities for homeless residents to act on rebuilding their own lives. This includes establishing performance standards for all organizations that care for homeless residents and using performance outcomes along with indices of community need in determining how public funds are allocated among these organizations.

4. SERVICE NEEDS

- Families that experience homeless report problems of domestic violence, mental health or substance abuse three times more often than other families receiving public assistance.
- Drug and alcohol abuse is the most frequently reported cause of homelessness for both families and individuals.

Implications

Homeless residents must have genuine opportunities to fulfill their potential as human beings, and must also assume responsibility for public standards of civil and law abiding conduct. Increased services are required to achieve this goal, including

more in-patient and outpatient substance abuse rehabilitation slots for homeless residents throughout the county; increased availability of, and take-up rate for, domestic violence, substance abuse and mental health services for public assistance recipients; and greater use of the restorative power of the justice system to ensure that homeless residents who have violated the law have access to, and make use of, these services.

5. *EMPLOYMENT AND DISABILITIES*

- Two-thirds of homeless residents are working age adults.
- Over two-thirds have been employed in the past five years.
- The most frequent source of income before the onset of homelessness was a job.
- Most homeless adults have histories of work, but not of sustainable earnings.
- Homeless residents are 50 percent more likely to lack a high school diploma and 50 percent less likely to have attended college than the overall population of the county.
- Workforce Investment Boards report spending only \$200,000 annually on job training and placement for homeless residents, but an adequate employment program is estimated to cost \$90 million or more a year.
- Forty-two percent of homeless residents report some type of disability - double the disability rate for the county.

Implications

Homeless residents have the potential to earn a significant share of their overall housing and living costs. However, investments in employment and training services must be increased by several orders of magnitude to build lasting connections with the labor force for most employable homeless adults. Given that 42 percent of homeless residents report a disability but only 6 percent appear to be receiving Supplemental Security Income (SSI), it is necessary to greatly increase the number of homeless residents enrolled in SSI.

6. *HOUSING*

- Only one out of seven homeless adults is able to gain access to subsidized public housing over an eight-year period.
- Providing housing is by far the greatest cost in ending homelessness – accounting for two-thirds to three-quarters of total costs in the four scenarios presented in this report.
- Only a handful of cities are actively involved in facilitating the development of affordable housing for low-income residents.

- At least two thirds of the funds for a typical affordable housing project come from the state and federal governments.

Implications

The condition that all homeless people share is that there is no place meant for human habitation that they can call their own. The reason typically is inability to pay for shelter. The path out of homelessness begins with obtaining shelter and establishing a feasible plan for obtaining permanent housing. Key steps for developing a sufficient supply of housing for homeless residents include: (1) active and equitable participation of all cities in allocating local revenues for affordable housing and ensuring that all new housing developments include affordable housing, (2) increased financing from state and federal agencies, and (3) expansion of the federal Section 8 rent subsidy program.

8. *COST*

- It is not financially feasible to end homelessness unless the flow of new entrants into homelessness is dramatically curtailed.
- More effective efforts to help homeless residents re-enter the labor force and obtain public benefits will reduce costs by an estimated 16 percent.
- Reducing the flow of people being cared for by major social institutions into homelessness will reduce costs by an estimated 47 percent.
- Facilitating the transition of some homeless residents out of subsidized housing and into market rate housing will reduce costs still further.
- Public jurisdictions within Los Angeles County currently spend about \$407 million a year on housing and services for homeless residents. With private contributions added in the total comes to an estimated \$506 million a year. These expenditures equal 35 to 59 percent (depending on the year) of the estimated annual cost of an effective strategy to end homelessness.

Implications

With full participation of all local, state and national stakeholders there are adequate resources to end homelessness in ten years. Homeless residents are found in every community in the Los Angeles region, with the greatest concentrations in the poorest communities. While the results of poverty are most apparent in high-poverty neighborhoods, poverty itself represents a collective failure of the region's residents and their economy. There are enormous disparities in the resources that different cities devote to addressing homelessness, and the willingness of different cities to provide sites for homeless services and housing. To end homelessness: (1) every community must contribute fairly to providing funding and sites to meet the

needs of the region's homeless residents, (2) funds for homeless services and housing must be used more effectively and achieve greater results, and (3) additional funding, particularly for housing, must be obtained from the state and federal governments.

Data Sources and Limitations

Several data sets give us glimpses of Los Angeles' homeless residents, but no single data set captures all of the population or answers all of the critical questions about their needs. We have assembled and integrated information from six data sources to provide a composite picture of homelessness in Los Angeles. The strengths and limitations of each data source are described below, and the data sources used to produce information about each issue investigated in this analysis are identified in Table 17.

1. **LEADER** – contains case record information for all individuals who receive any form of public assistance from Los Angeles County's Department of Public Social Services. Major assistance programs include Medi-Cal, General Relief, CalWORKs, and Food Stamps. Recipients of each of these types of assistance who are known to be homeless are identified in these records. This data set contains the largest number of homeless cases and the most representative sample of cases of all of the data sources used for this study.

The Los Angeles County Department of Public Social Services (DPSS) operates several assistance programs through which individual and family clients can receive cash grants and services to offset their limited income. In 2002 this department reached over two million Los Angeles County residents on a given day and 3.1 million over the year through its various assistance programs. It serves most of the county's poor individuals and families.¹ When an eligible resident meets with the staff of any of these DPSS assistance programs (General Relief, CalWORKs, Medi-Cal, and Food Stamps), she or he can self-declare that she or he is currently homeless. DPSS staff tracks this information as a yes/no flag in the clients' electronic record.²

The yes/no homeless flag in the client records is changed to a "yes" when a client applies for homeless benefits. It is also triggered if a client receives homeless issuances in the General Relief Program, if the client's address matches the DPSS office address (for lack of a mailing address), or if the DPSS worker has entered more information about the client's condition of homelessness into the database. This last-mentioned trigger for a homeless flag, entering follow-on information about a client's condition of homelessness into the administrative database, captures a few people who

may have been homeless in the previous month, but not the current. These lags in the data, however, seem to be minimal.

For the 12 months of 2002, there were over 131,000 DPSS cases (household units) in which someone declared being homeless for one or more months during that year. These homeless cases included 216,708 unduplicated adults and children. Because the data covers 12 consecutive months for 2002, it includes people not only at the time during which they were homeless, but before and after when they were at high risk of becoming homeless or revisiting that status.

How accurate are the homeless flags in this data set? Overall, it is likely that welfare records under-report total incidents of homelessness. Only 6.8 percent of the people who received public assistance from the county in 2002 are shown to be homeless. In contrast, the 1996 National Survey of Homeless Assistance Providers and Clients found that 9.6 of the U.S. poverty population were homeless at some point during the year.³

While welfare records appear to under-report total incidents of homelessness, it should be noted DPSS staff do little or no independent verification of the clients' claims of being homeless and therefore some self-declared reports of homelessness might not be accurate. There are at least four factors that might influence whether public assistance recipients identify themselves as homeless:

- a. *Necessity* – If individuals or families do not have a home they must provide an alternative address – often the DPSS office.
- b. *Benefits* – CalWORKs and General Relief recipients may receive additional benefits after they declare themselves to be homeless. For families this includes up to 16 days of once-in-a-lifetime emergency housing. For single individuals this includes additional housing and food benefits for up to 10 days. These benefits may influence some recipients to inaccurately report that they are homeless.
- c. *Scrutiny* – Some parents worry that Children's Services will investigate their fitness as parents if they report that they are homeless. This may influence some parents not to report that they are homeless when, in fact, they are without shelter.
- d. *Indifference* – Medi-Cal-only and Food Stamps-only recipients who can use the mailing address of a friend or family may feel little incentive to report that they are homeless since it does not entitle them to additional benefits.

Our overall assessment is that the LEADER data set offers a comparatively complete and representative picture of the county's homeless population.

2. **GAIN** – contains extensive appraisal and work history information for a subgroup of poor families that received cash grants through CalWORKs and participated in the county’s welfare-to-work program. This data set is useful for exploring the self-sufficiency prospects of homeless families.

Client data includes demographic information (age, sex, ethnicity, language, marital status, family structure), geography (current address, place of birth, DPSS office served by), as well as several indicators of dysfunction (disability, substance abuse, mental health, and domestic violence declarations). Earnings histories are linked to some of the client records, based upon the Social Security number and records of quarterly employment from 1992-2001.⁴

3. **PUMS** – the Public Use Microdata Sample from the U.S. Census provides all of the data from the long-form Census questionnaire for 5 percent of the homeless residents identified in each decennial census. While the Census did collect data for people living in shelters and on the streets through a service based enumeration process, these persons were not specifically identified in the Census. Therefore, we developed a filtering process to identify those who were homeless in 2000. This produced an incomplete sample that is skewed toward the long-term homeless, but it is valuable because it provides an extensive body of information and allows us to see homeless residents in a common frame of reference with the total population of Los Angeles County as well as a common frame of reference with homeless residents throughout the United States. An additional limitation of PUMS homeless data is that detailed housing information is missing, and as a result information about homeless household structures and family relationships is also missing.

The filtering steps are listed below. The filters were employed in a cumulative fashion for the age 16-64 population in Los Angeles County. Each filter removed persons with specific characteristics, leaving behind a residual for the next filter. Each subsequent filter was applied to the residual population left by the preceding filter. The residual population remaining after the application of 10 different filters represents the homeless population of Los Angeles County. This process was conducted on data extracted from the 2000 PUMS 5% sample for Los Angeles County.

- a. Remove persons who are not of working age (< 16 or > 64)
- b. Remove persons not residing in non-institutional group quarters.
- c. Remove persons with incomes greater than \$51,784 in 2000.

- d. Remove persons with education levels above a Bachelors Degree.
- e. Remove persons who are employed and had total incomes greater than 150% of the federal poverty level for a single parent with two children in 1999.
- f. Remove persons on active military duty.
- g. Remove persons that list the Armed Services as their industry of employment.
- h. Select from the above those persons who are not in a religious organization with a BA degree or higher. (This filter is based on both occupation and industry of employment).
- i. Select from the above those persons who are undergraduate college students. Undergraduate students between the ages 18 and 24 are filtered out. Undergraduate students above the age of 24 with incomes lower than the federal poverty level and who work less than 20 hours a week are *not* filtered out.
- j. Remove persons who received SSI income of greater than \$4000 in 1999.

At the end of this filtering process there were 2,060 remaining PUMS records representing 39,564 homeless individuals. Of these, 1,503 records representing 28,773 people were for working age (16-64 years) individuals. Each PUMS record is weighted to reflect how representative it is of the overall population. These weights can be used to expand the PUMS sample to represent the total population. This was done in expanding the roughly 2,000 filtered records to represent a total homeless population of roughly 40,000 individuals.

- 4. **Winter Shelter Data** –questions asked of individuals and families entering Winter Shelter include the cause and duration of homelessness. One limitation of this data is that the Winter Shelter population is disproportionately comprised of individuals who have been homeless for long periods of time. A second limitation is that individual responses are not available; responses are rolled up by agency. Fortunately, a research project led by Jeannette Rowe produced survey data that can be used to match individual characteristics with different patterns of homeless experiences.
- 5. **NSHAPC (National Survey of Homeless Assistance Programs and Clients)** – In 1996 the Urban Institute in collaboration with twelve federal agencies conducted a comprehensive national survey of homelessness. It produced estimates of the point-in-time and annual homeless population, and of subgroups within the overall population. This was a large-scale, carefully executed survey that produced a credible profile of the national homeless population. Some of the information from this survey, for example the ratio

Table 17
Data Sources for Los Angeles County's Homeless Population

Issue	Data
POPULATION PROFILE	
Who is homeless on a given day?	
Sex	LEADER, PUMS
Ethnicity	LEADER, PUMS
Age	LEADER
Family status	LEADER
Assistance programs	LEADER
Percent of poverty population and total population in each SPA	LEADER
Frequency of vulnerable families and types of vulnerabilities	LEADER, GAIN
Number of new homeless persons each month	LEADER
Marital status	PUMS
Military service	PUMS
Disabilities	PUMS
Income amount and source	PUMS
Mobility	PUMS
Comparison to the U.S.	PUMS
Education	PUMS
Citizenship	PUMS
Cause of homelessness	Winter Shelter Data
Duration of homelessness	Winter Shelter Data
Plans for future residence	Winter Shelter Data
Who is homeless in the course of a year?	
Family status	LEADER; Winter Shelter Data
Duration of Homelessness	LEADER; Winter Shelter Data
What is the estimated total homeless population in Los Angeles County?	PUMS, NSHAPC 1996
BASELINE SOLUTIONS	
What are the prospects for become self-supporting through work?	
Labor force profile	
Employment status in 1999	PUMS
Year of most recent employment	PUMS
Earnings through employment in 1999	PUMS
Industry distribution	PUMS
Occupational distribution	PUMS
Earnings histories of currently homeless welfare recipients	LEADER, GAIN
Earnings histories of previously homeless downtown job seekers	Downtown homeless
Estimated percent of short-, mid- and long-term homeless who:	
Previously had above-poverty earnings	LEADER, GAIN
Achieved above-poverty earnings after being homeless	Downtown homeless
How many people receive cash benefits for income maintenance?	
Distribution by type of benefit	LEADER, PUMS
Percent of population that does not receive cash benefits	LEADER, PUMS
Estimated percent of downtown jobseekers who were homeless in 1991 and 1992 who moved into housing subsidized by HACLA	Downtown homeless, HACLA & PUMS
Distribution of people receiving HACLA housing over time	Downtown homeless, HACLA

of point-in-time to annual homeless populations, was used in this study to fill crucial gaps in information. Three limitations of this data should be noted: First, it was produced in 1996 and now is somewhat dated. Second, it is a

national profile and there is good reason to believe that the profile of homelessness in Los Angeles differs from the national profile. Third, data from the NSHAPC project can be interpreted to produce significantly different population estimates. The survey collected data for two different intervals in 1996 and found large differences in the homeless population from one interval to the next. Also, the survey established a series of alternative measures of the duration of homelessness, each of which results in significantly different estimates of population size.

6. **Downtown Homeless Jobseekers** - In 1993 the Economic Roundtable worked together with sixteen homeless service providers in the downtown Los Angeles area to build a data base describing the characteristics, skills and long-term employment outcomes of homeless job seekers in the downtown area bounded by the Santa Monica, Harbor and Hollywood freeways and the Los Angeles River.

Participating agencies agreed on a set of data elements that they routinely collected, had reasonable reliability, and were most relevant to obtaining employment. Information for 1,198 individuals who participated in employment programs in **1991 and 1992** was obtained by going through individual client files, extracting information, and entering it into a database. This database has been used to track wage and salary payroll reports for these individuals from 1992 through 2001.

Individuals in this database are disproportionately single adult males with above-average durations of homelessness. They also are self-selected based on a demonstrated interest in employment.

ENDNOTES

¹ Undocumented immigrants are under-represented in DPSS data because citizenship or legal immigrant status is required for cash grant and Food Stamp programs. Thus, the 2 million people served each month by DPSS are a subset of the region's poor, which would be larger if undocumented immigrants and other currently ineligible persons were included.

² DPSS client records used for portions of this research come from the DPSS' LEADER database (Los Angeles Eligibility Automated Determination Evaluation and Reporting System), and cover all twelve months of 2002. Tables for which we were allowed access from the LEADER database include: CalWORKs/Refugee, General Relief, Medi-Cal, and Food Stamps, as well as the Person and Case tables.

³ Burt, Martha; Aron, L.; and Lee, E. (2001)/ *Helping America's Homeless: Emergency Shelter or Affordable Housing?* Washington, D.C., The Urban Institute Press, Table 2.8, p. 43; (2) Homeless counts reported in *Helping America's Homeless*, p. 50.

⁴ Earnings histories were obtained from the California Employment Development Department, and show quarterly earnings from jobs in the formal economy. Self-employed or informally employed persons are not included in this earnings data.

Comments by the Los Angeles County Department of Public Social Services and Economic Roundtable Responses

INTRODUCTION

This chapter provides comments on the original draft version of this report from the Los Angeles County Department of Public Social Services (DPSS) and responses from the Economic Roundtable.

We would like to thank the Department of Public Social Services their contributions, which included providing data, answering questions, and providing comments on the report.

What follows are:

- The transmittal letter from DPSS.
- Comments from DPSS with responses from the Economic Roundtable following each comment.



County of Los Angeles
Department of Public Social Services

Bryce Yokomizo
Director

November 6, 2003

Daniel Flaming, Ph.D., President
Economic Roundtable
315 West Ninth Street, Suite 1209
Los Angeles, CA 90015

Dear Dr. Flaming:

The Los Angeles County Department of Public Social Services has reviewed the Economic Roundtable's report titled Homelessness in LA. The enclosed document first lists our general comments followed by page-specific remarks. We urge you to consider revising your report to address the issues raised by our reviewers. Our concerns notwithstanding, please feel free to move forward with your presentation on November 13, 2003, to the Blue Ribbon Panel of "Bring LA Home!"

Please let me know if you have any questions.

Very truly yours,

A handwritten signature in dark ink, reading 'Henry E. Felder'. The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Henry E. Felder, Ph.D., Chief
Research, Evaluation & Quality Assurance Division

HEF:MB:rsb

Enclosure

General Comments

- ◆ The report takes a micro rather than macro view of homelessness, and does not mention the following possible factors in homelessness:
- ◆ 60-month Time Limits for CalWORKs and 9 months per year of GR;
- ◆ A jobless or weak local economy and or tough competitive environment for jobs;
- ◆ Short supply of affordable housing;
- ◆ Rising real estate values- Most newly constructed apartment complexes are aimed at middle or high income individuals;
- ◆ Poor, bad or no credit history and/or limited income when applying for housing. Landlords are reluctant to rent to perceived unstable or unreliable low income renters/families;
- ◆ High initial cost of getting into a house or apartment;
- ◆ The report could include a rental survey of housing costs in different areas to demonstrate how difficult it is to find affordable or subsidized housing;
- ◆ Homeless persons may not have furniture or appliances to move in. How would this problem get resolved? How many apartments or houses that are available come furnished?
- ◆ What about money management or budgeting skills for homeless persons? If one of the most common reasons a family or person becomes homeless is because of drug or alcohol abuse, what changes, counseling or strategies will have to be developed that will prevent the same thing from happening again? The report doesn't address this.

ERT Response: All of these factors are important for understanding the causes and context of homelessness. However, the purpose of this report is to explore data that describes Los Angeles County's total population of homeless residents. Some of the issues identified in the comment are outside the scope of this report but have been addressed in past reports. Other issues will be addressed in forthcoming reports as part of the strategic planning process. For example:

- The regional economic context of poverty and the impacts of welfare

policies on impoverished residents have been explored by the Roundtable in reports titled: *Prisoners of Hope*, *Running Out of Time*, *Los Angeles Labor Market Action Plan*, *Cage of Poverty*, *On the Edge*, and *By the Sweat of their Brow*.

- Housing affordability and availability will be discussed in forthcoming reports for the strategic plan to end homelessness.
- Supportive services are touched upon in this report and will be discussed in detail in the strategic plan.

Specific Comments

- On Page 1, the report using ambiguous language in #5 by claiming that people "lost" benefits. We recommend that this point be modified to state that individuals ceased to have public assistance benefits for a variety of reasons that include, but not limited to, the program's mandated time limit or the imposition of a sanction for the recipient's noncompliance with the program. The same statement on page 46 should be modified as well.

ERT Response: We appreciate this suggestion for more specific language to describe why people lose welfare benefits. This level of detail is not appropriate in the Executive Summary, but we have incorporated this language on page 46.

- In the table on Page 1, the number for Point-in-Time Homeless, under Total Single Individuals should be changed from 44,678 to 44,677 and the Grand Total on the same line should be changed from 78,600 to 78,598. Total Annual Homeless number under Total Single Individuals should be changed from 134,853 to 134,852 and the Grand Total on the same line should change from 253,918 to 253,916.

ERT Response: This small deviation between numbers shown and the sum of those numbers is due to *rounding error*. These numbers (and the factors shown in Table 8 that were used to produce these numbers) contain fractions. Since it is more understandable to talk about entire people rather than fractions of people, we do not show these fractional values, but rather display numbers that are rounded to the nearest whole person. However, the fractions are included in all computations and in this instance they produce sums that differ very slightly from the total of the values that are shown being summed up.

- On page 5, Section 3 would be more complete with the addition of mental health services, substance abuse services, and domestic violence services.

ERT Response: We agree with this suggestion and have added these services to our list.

- On page 6, Section 2 describes the benefits available under General Relief. The description provided only fits GR benefits to employable participants. The following should be added to describe benefits available to unemployable participants: GR benefits are not time-limited for unemployable participants.

ERT Response: We appreciate this correction and have incorporated it in the final report.

- On page 7, in the Section "Paths Out of Homelessness," we suggest an addition to the solutions in item no. 4, Supportive Services, the following subjects should be considered; Money management workshops, credit counseling and obtaining and maintaining a checking or savings account. Other practical considerations that need to be addressed are 1) how will the homeless person/family furnish the new house or apartment and 2) how will the homeless person/family negotiate with the landlord if they have credit problems and little or no income.

ERT Response: These are important points and we have added these services to our list of the types of support that people need to escape homelessness. It should be noted that later reports will provide specific operational recommendations about the services, resources and policies needed to help different groups of residents escape homelessness, and will address the practical issues of helping individuals and families gain entry into rental housing.

- Although the report considers the availability of supportive services, it does not reflect conditions in the economic environment which impact jobs and therefore homelessness. The issue of homelessness does not exist in a vacuum; the report cannot reflect an accurate picture of homelessness unless includes the economic realities that impact homelessness.

ERT Response: An analysis of the economic context of homelessness is beyond the scope of this report, but previous Economic Roundtable reports have investigated the regional economic context of poverty. These reports include: *Prisoners of Hope*, *Los Angeles Labor Market Action Plan*, *Cage of Poverty*, *On the Edge*, and *By the Sweat of their Brow*.

- On page 9, the title "Homeless Public Assistance Recipients" should be changed to Public Assistance Recipients Who Declared Homelessness because the first title could be misinterpreted to mean that ER is reporting on the number of people who received funds and support from the DPSS homeless assistance program, which it is not. The report asserts that 85% of the county's homeless residents received DPSS services sometime during 2002. The justification for this conclusion is set forth in Chapters 6 and 7. On page 73, there is an explanation of how the homeless flag in LEADER was used. If this flag is unreliable, there should be a comment to that effect. More generally, the methodology used to develop this estimate should be carefully reviewed and critiqued, if warranted.

ERT Response: We do not think that the suggested language would add clarity to the report. We distinguish between people receiving cash grants and people receiving other forms of public assistance. We have an extensive discussion of the reliability of the homeless flag in public assistance case records on pages 109 and 110 in Chapter 11, "Data Sources and Limitations." It is likely that public assistance records under-report rather than over-report total incidents of homelessness. Only 6.8 percent of the people who received public assistance from the county in 2002 are shown in their case records to be homeless. In contrast, the 1996 National Survey of Homeless Assistance Providers and Clients found that 9.6 of the U.S. poverty population was homeless at some point during the year. This suggests that public assistance records may reflect only two-thirds of the incidents of homelessness among Department of Public Social Services (DPSS) clients.

- On Page 11, questionable/unreliable data are used to create the charts/tables. For example, the numbers do not add up for table 1. GR and CalWORKs data appears inaccurate and/or exaggerated. The table lists 70,585 people on GR as homeless at one time during 2002. The 2002 monthly average of GR persons aided is only approx. 66,000. For CalWORKs, table 1 shows 101,681 CW persons homeless at one time or another during 2002 which averages to 8,743 persons per month. According to applications, only 1,200-1,300 apply monthly for housing assistance. Why the disparity?

ERT Response: This data was provided by DPSS. Large-scale, systematic efforts by DPSS staff went into creating this data. These efforts were subject to audit by higher levels of government. We believe it is inappropriate to call this data "questionable" or "unreliable." In regard to specific issues:

- The numbers in Table 1 do add up. All 216,603 homeless public assistance recipients are broken out four different times based on

whether or not they received each of the four types of public assistance, and within each of these four breakouts they are further broken out by age group.

- The data provided by DPSS shows that 53 percent of the unduplicated individuals who received General Relief from the county in 2002, or 70,585 individuals, had a homeless flag in their case record during at least part of 2002. The comment seems to suggest that DPSS believes that only about one-seventh of the General Relief recipients with homeless flags in their case records, or about 7 percent of the total General Relief caseload, are homeless. This contradicts the data provided by DPSS as well as the first hand knowledge of many people who work with General Relief clients.
- The question of why only 1,200 to 1,300 General Relief recipients apply for housing assistance each month needs to be answered. The Economic Roundtable can assist DPSS in answering this question, but the answer lies in DPSS' operational practices and policies related to providing housing for homeless individuals who need to be housed. Improvements in these practices and policies will directly reduce the number of homeless people in the county.
- On pages 26 and 113, LEADER data are inappropriately used to describe duration of homelessness. The homelessness field is not a continuous measure of this condition, but rather, as you indicate on page 65, a categorical variable with two values (yes or no). It is activated when an applicant declares homelessness during the application process but does not indicate whether homeless assistance was issued. Once the DPSS services worker indicates that the applicant is asking for homeless assistance, the field is never modified as long as they are receiving benefits. In other words, welfare recipients can enter this status but never exit. Therefore, the duration of time in which a field has been activated is not a measure of duration of homelessness, but rather, is a measure of the amount of time since the person declared homelessness. We recommend that the authors modify Figure 12 by removing DPSS data as a source.

ERT Response: This comment does not reflect what we actually see in DPSS' data. The homeless flag is not a permanent marker in case files, rather it typically disappears from the file after being shown for several months. We agree with the point that using this flag to calculate the duration of homelessness tends to overstate how long people are homeless because in some months this flag appears simply because the caseworker entered a comment related to the person's current or former homelessness status. We

have added a note explaining this point to the discussion of this data on page 26. The entry in Table 17 on page 113 showing this data as one source of information about the duration of homelessness remains unchanged.

- On page 27, the report indicates that there was a "spike" in the percentage of new homeless public assistance cases at the beginning of 2002. The authors had no explanation for the increase, but suggested it could be due to "end-of year layoffs." We recommend that the study include some comparative data to determine if this "spike" is seen in the broad homeless population and that if possible, data from prior years be retrieved to determine if this is a yearly occurrence or a single year anomaly.

The impact of the September 2001 tragedy on the economy should also be considered. Many jobs were lost at the end of 2001 and based on the conclusions drawn in this report, job loss is a major precursor to homelessness.

ERT Response: We agree that it would be useful to look at data for additional years to see if a beginning-of-the year spike in homelessness is a typical occurrence. The first step in carrying out this study would be for DPSS to provide downloads of LEADER data for years before 2002 and for 2003.

We agree that the September 11th terrorist attack and the accompanying recession affected employment conditions, although it is unlikely that these factors converged to create a large spike in homelessness that was apparent in February but had disappeared by March of 2002.

- On page 54, the paragraph that starts with "The second group..." does not provide any evidence to support the speculation that "very little was invested in improving the vocational skills or education level of parents" and "most received encouragement." Without the presentation of data to support these ideas, we encourage the authors to explicitly identify this reference as a speculation.

ERT Response: We have added this information to the final report. Sixty-three percent of these homeless parents did not receive any assistance in improving their level of education, language ability, or vocational skills while participating in the county's welfare-to-work program.

- On page 60, in summarizing data on employment rates and earnings for homeless individuals participating in downtown job programs and CalWORKs participants, the study concludes that for cohorts who "got off to a good start and then crashed"; i.e., lost earnings, early success may have been derailed

by circumstances beyond their control and that these individuals "may have stayed employed if they had received supportive services such as childcare, transportation assistance, health services, or substance abuse treatment." However, the report contains no data indicating whether or not these individuals received supportive services.

ERT Response: We have added this information to the final report. Among the welfare parents:

- Only 12 percent were referred to services for domestic violence, mental health or substance abuse problems.
 - Ten percent received childcare for 5 months or less, 41 percent for 6 months or more, and 49 percent received no childcare assistance.
- On page 109, the number one source for the homeless data used is LEADER, and the Yes/No flag indicator on LEADER. The LEADER information may be inaccurate. In addition, some of the homeless data are derived from applicants/participants who use the District address as their mailing address. Many participants prefer to use the District address for reasons other than just homeless.

ERT Response: Pages 109 and 110 of the report provide a detailed assessment of the strengths and limitations of DPSS' case records for analyzing homelessness. It is our conclusion that these records contain the largest number of homeless cases and the most representative sample of cases of any currently available data source. It is likely, however, that these records under-report the total incidents of homelessness. Only 6.8 percent of the people who received public assistance from the county in 2002 are shown to be homeless, while nationally, 9.6 of the U.S. poverty population was found to be homeless at some point during the course of a year.

- On page 114, note 1 is inaccurate in several ways: (1) refugees are not undocumented; (2) undocumented household members who have citizen or legal immigrant household members would still be counted in the DPSS data; and (3) undocumented immigrants are eligible to emergency Medi-Cal. Therefore, though it is correct that homeless families where all members are undocumented would be under-counted in the DPSS data, it is not correct to say that they would all be excluded.

ERT Response: We appreciate this correction and have incorporated this information into Endnote number 1 on page 114.

