Affordable Roofs LA

The Social Entrepreneurship Initiative (SEI) at UCLA is embarking in an 8-week consulting project to develop financially sustainable low-income housing for homeless women, families and veterans. Building on the know-how developed through our successful past consulting projects for the Venice Family Clinic (one of the largest community clinics in the country), a team of motivated and skilled UCLA students – mentored by faculty and business experts in LA – will build a professional feasibility report to use for grant-writing, fundraising, and ultimately construction of a housing project combining high-income apartments for financial sustainability together with units for some of the most vulnerable homeless populations in our communities.

The Problem: Increasing Unaffordability

In 2013, there were about 60,000 homeless in Los Angeles, including 7,000 families with children and 1,000 unaccompanied children, a number that has been increasing since 2009. Of these, each night 43,000 do not have a place to stay (shelter, mission, church, friend), 1 out of 4 are long term homeless and have disabling conditions, 1 out of 3 have mental or physical disabilities, and 1 out of 9 is a veteran.

**Changes in Homeless Population (Including Hidden Homeless). 2011 - 2013**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>%</th>
<th>Sheltered</th>
<th>%</th>
<th>Un sheltered</th>
<th>%</th>
<th>Hidden Homeless</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>58,423</td>
<td>100.0%</td>
<td>15,013</td>
<td>25.7%</td>
<td>25,136</td>
<td>43.0%</td>
<td>18,274</td>
<td>31.3%</td>
</tr>
<tr>
<td>2011</td>
<td>50,214</td>
<td>100.0%</td>
<td>18,587</td>
<td>37.0%</td>
<td>20,827</td>
<td>41.5%</td>
<td>10,800</td>
<td>21.5%</td>
</tr>
<tr>
<td>Changes</td>
<td>+8,209</td>
<td>+16.3%</td>
<td>-3,574</td>
<td>-19.2%</td>
<td>+4,309</td>
<td>+20.7%</td>
<td>+7,474</td>
<td>+69.2%</td>
</tr>
</tbody>
</table>

Even Westwood and the Westside (SPAS) is not immune to this issue, with about 5,000 homeless in 2013, including almost 700 families and 80 unaccompanied children. This is a 1,150 people increase since 2011, and it includes over 1,000 veterans and even 500 survivors of domestic violence.

The Los Angeles County believes some of the reasons for this increase include the recent recession, the loss of resources under ARRA, Homeless Prevention and Rapid Re-Housing funds ($80M), and the lack of affordable housing options, coupled with increasing rental rates. After the financial collapse and the inability for most people to own a home, the demand for rental housing has soared. The unit vacancy was 4.1% in the fourth quarter of 2013, the lowest since 2001. At the same time, rental price increases are outpacing inflation, with a disproportionate effect on extremely low-income (ELI) families. These are
families that earn in average $19,706 at the national level, and for them, there are only 31 affordable housing units for every 100 families. Despite that, most new construction focuses on high income households, and even older building are being retrofitted for higher-market appeal. Over 10,000 public housing units are lost each year, and since 2001 over 12% of the 650,000 affordable housing units available has been lost.

In the Los Angeles metropolitan area, conditions are even more dire. In 2013, the hourly wage necessary to afford a modest 2 bedroom apartment ($1,398/month) rose to $26.88/hour, or $55,920/year. At the same time, the mean income level of renter families is stuck at $18.53/hour, which means the average renter is only able to afford an apartment up to $963. Recently, even vocational nurses, high school teachers and construction managers are at risk of unaffordability. The housing issue has reached the middle class. Of course, minimum wage workers can only dream to afford such homes, as their income is only $8.00/hour. It would take somebody more than 3 FULL-TIME minimum wage jobs to afford a modest 2 bedroom apartment. Even worse for our local community, Westwood, West LA, Venice and Mar Vista are seeing the brunt of the redevelopment efforts, with over 4,000 units lost between 2001 and 2006 alone, worse than all of the rest of Los Angeles combined.

The severe burden of homelessness in LA is not only a social issue, or an individual problem, it also costs money. This people have often severe chronic diseases, and homeless die in average at age 48! That is almost 30 years less than the average American (life expectancy, 77 years). The money spent just on homeless health care in the US has now reached $77M dollars.

The Solution: Mixed Development Projects with Continuum of Care Homeless Housing

Housing First is a new social policy innovation designed toward immediately providing homeless with a home. Unlike traditional programs which have so far failed at eliminating homelessness, Housing First does not require participant to go through multiple steps before “earning” a home. Somewhat counterintuitively, Housing First is actually very cost-effective, saving more than $32,000 year-over-year per homeless housed. Research shows a 77% reduction in emergency room visits, 77% reduction in inpatient admissions, and 85% reduction in inpatient days, providing huge saving to any local county health system. Furthermore, when combined with local social, health, and employment services, Housing First is able to reduce alcohol and substance abuse in homeless patients, as well as the severity of their underlying medical conditions, including psychiatric ailments. It is important to note that the vast majority of the homeless in LA do not live in Skid Row (<10%), and are not all localized in a few places. Homelessness is widespread, and cannot be fought by moving homeless in buildings away from prime areas, out of sight. Jobs, transportation, groceries, activities, social services, health services, these are all essential components of a complete rehab service, and they are all already present in our day-to-day communities. The European experience teaches that isolating the poor and disfranchised in public housing projects at the fringe of a city might actually do more harm than good by creating ghettos in which crime has free reign. The response to homelessness and poverty is not just housing, it is holistic.

Furthermore, public housing and social work need not to be at a loss. Between public subsidies and the revenue from middle and high-income apartments, developers and managers should still be able to make money, all-the-while helping the community! Completing a feasibility study will allow the SEI to
complete the first steps toward developing affordable housing. The study will need to show the most
cost-effective location, the ideal percentage of affordable vs middle and high income units, the
possibility for subsidies, and tax deductions. In addition, we will start making contacts with the various
public, non-profit, and private organizations involved both in affordable housing and private
development. Some of the resources and organizations follow below:

**Skid Row Housing Trust** – multiple buildings, including newly developed and remodeled. Years of
experience, connections to public and private entities including pro-bono architects. (Dana Trujillo)

**LA County Housing for Health** - $18M new program to start developing/renting more than 10,000 units
of affordable housing within the next few years. (Cheri Todoroff)

**California Department of Housing and Community Development** – grants for affordable and supportive
housing projects and developments (Laura Whittall-Scherfee)

**Community Development Commission of LA County** – more grants, including for sustainable
development of affordable housing near transit, parks. (Pansy Yee)

**Brilliant Corners** – non-profit supportive housing provider.

**Southern California Association of NonProfit Housing** – active organization extremely helpful for
resources on how to start a project, apply for grants, contact developers. Meeting just passed sadly, but
minutes, presentations and talks are present on website. (Alan Greenlee)

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Other strategies will include considering already existing units for rehabilitation, focusing on women’s,
single-mothers families, and veterans to reduce the potential bias against the homeless population in
wealthy communities, and attempting to secure the collaboration of the Venice Family Clinic and other
established local safety-net organizations or foundations.

**References**

1) 2013 Greater Los Angeles Homeless Count. Overall Results for Los Angeles County and Los
    Angeles Continuum of Care. LAHSA. August 2013.
2) 2013 Greater Los Angeles Homeless Count. Key findings for the Los Angeles Continuum of Care
    by Service planning Area & Supervisorial District. LAHSA. November 2013.
3) Out of Reach 2014. Twenty Five years Later, the Affordable Housing Crisis Continues. National
    Low Income Housing Coalition. 2014.
   http://scanph.org/node/3991