

REPORT FROM


## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: August 26, 2019  
To: Homeless Strategy Committee  
From: Richard H. Llewellyn, Jr., City Administrative Officer  
Reference: C.F. 18-0475 - Motion (Bonin-Huizar) Relative to Expanding Shared housing  
Subject: **Supplemental Report – Shared housing: Initial Findings and Recommendations Report dated May 24, 2019**

CAO File No. 0220-05151-0135  
Council File No. 18-0475  
Council District: All



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### SUMMARY

This report provides additional recommendations to the attached report considered by the Homeless Strategy Committee (HSC) at its May 30, 2019 meeting. Additional findings regarding the use of publicly funded shared housing, and updated data on the current use of shared housing Countywide are also included.

### RECOMMENDATIONS

That the Homeless Strategy Committee review and forward the following recommendations to the Mayor and City Council for consideration:

1. Reserve up to \$5,000,000 from the State of California Homeless Housing, Assistance, and Prevention Program (HHAPP) Grant, subject to funding approval procedures established by the Mayor and City Council, for the Los Angeles Homeless Services Authority (LAHSA) to fund a minimum of 400 Rapid Re-Housing shared housing placements (at an average cost of \$12,500 per participant) for twelve (12) months;
2. If funding is approved, instruct LAHSA to include a shared housing component in the next Rapid Re-Housing Request for Proposals, funded with City HHAPP funds, and require successful applicants to:
  - a. Comply with federal, state, and local fair housing laws;
  - b. To comply with the core components of Housing First included in State of California SB 1380 and described in this report;
  - c. Use the SB 1380-compliant standard shared housing lease agreement, to be developed in partnership with LAHSA's legal services provider; and
  - d. Require the use of peer support specialists in all shared housing programs; and

3. Approve Recommendations 1.a. and 1.b. from the May 24, 2019 report.

## **BACKGROUND**

On May 30, 2019, the Homeless Strategy Committee (HSC) considered the attached report on the use of shared housing countywide, and funding sources available to expand this housing option throughout the City (Attachment 1). The report recommended that the HSC instruct the City Homeless Coordinator to report back on the following items in early 2020:

- a. An analysis of the first full year of shared housing data collected by the Los Angeles Homeless Services Authority (LAHSA) and any additional data provided by the Self-Help and Recovery Exchange (SHARE!), including housing retention outcomes and, to the extent the data is available, a comparison of resident housing retention between the communal and collaborative shared housing models;
- b. Shared housing best practices based on LAHSA's data and the Shared housing Toolkit, funded by the Conrad Hilton Foundation, expected to be released in late 2019; and
- c. Policy, programmatic, and if appropriate, funding recommendations.

The HSC requested, however, that the City Homeless Coordinator report back with more immediate funding and policy recommendations prior to 2020 and prior to forwarding this item to the City Council for consideration. This report provides those requested recommendations.

## **DISCUSSION**

### State, and Local Shared Housing Requirements

Since the May 24, 2019 report, new developments in state, and local requirements have been implemented relating to the use of funding for shared housing. Publicly funded programs require shared housing placements to use individual leases that protect tenants' basic legal rights, such as:

- a. Protection against retaliatory eviction;
- b. Limits on the landlord's right to enter the rental unit;
- c. The right to repair serious defects in the rental unit and to deduct certain repair costs from the rent, under appropriate circumstances; and
- d. Rights under the warranty of habitability.

Incorporation of all Housing First components is also required for all state- and locally-funded programs. These components are designed to ensure that the tenant screening and selection process is based on a tenant's needs and eligibility, rather than their sobriety, completion of a treatment program, or participation in services.

*State Requirements: State Bill 1380 – Housing First Core Components*

The Housing First requirements in State Bill (SB) 1380 went into effect on July 1, 2019.<sup>1</sup> This law established core components of a Housing First model, which must be adhered to by any state agency or department that funds, implements, or administers a state program that provides housing or housing-related services to people experiencing homelessness or at risk of homelessness. SB 1380 also established the Homeless Coordinating and Financing Council to oversee implementation of the Housing First regulations.

The core components of Housing First, as established by SB 1380, are intended to reduce barriers to permanent housing for people experiencing homelessness. They are as follows:

1. Tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services.
2. Applicants are not rejected on the basis of poor credit or financial history, lack of or poor rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness.”
3. Acceptance of referrals directly from shelters, street outreach, drop-in centers, and other parts of crisis response systems frequented by vulnerable people experiencing homelessness.
4. Supportive services that emphasize engagement and problem solving over therapeutic goals and service plans that are highly tenant-driven without predetermined goals.
5. Participation in services or program compliance is not a condition of permanent housing tenancy.
6. Tenants have a lease and all the rights and responsibilities of tenancy, as outlined in California’s Civil, Health and Safety, and Government codes.
7. The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction.
8. In communities with coordinated assessment and entry systems, incentives for funding promote tenant selection plans for supportive housing that prioritize eligible tenants based on criteria other than “first-come-first-serve,” including, but not limited to, the duration or chronicity of homelessness, vulnerability to early mortality, or high utilization of crisis services. Prioritization may include triage tools, developed through local data, to identify high-cost, high-need homeless residents.
9. Case managers and service coordinators who are trained in and actively employ evidence-based practices for client engagement, including, but not limited to, motivational interviewing and client-centered counseling.
10. Services are informed by a harm-reduction philosophy that recognizes drug and alcohol use and addiction as a part of tenants’ lives, where tenants are engaged in nonjudgmental

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<sup>1</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB1380](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1380)

communication regarding drug and alcohol use, and where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, as well as connected to evidence-based treatment if the tenant so chooses.

11. The project and specific apartment may include special physical features that accommodate disabilities, reduce harm, and promote health and community and independence among tenants.

*Local Requirements: LAHSA's Coordinated Entry System (CES) Policy Council - Rapid Re-Housing Minimum Service and Operations Practice Standards*

In order to reduce barriers to permanent housing, as of October 1, 2019, all LAHSA-funded Rapid Re-Housing (RRH) providers will be required to design services based on the following components:

1. Housing identification assistance;
2. Financial assistance – time-limited rent and move-in assistance; and
3. Case management and supportive services.

LAHSA requires RRH programs to employ a housing first, low-barrier, harm reduction and trauma informed care approach to services. RRH programs must also establish a policy that requires all lease agreements to comply with tenants' rights under the California Civil Code and secure individual leases for all shared housing participants whenever possible.

Updated HMIS Data

Based on data collected between January 2 and July 31, 2019, 25 percent of all clients in RRH placements reside in a shared housing setting. There were 3,270 RRH placements during this period, and 820 were into a shared setting. 2,253 (69 percent) of these households exited the RRH program during this period and are no longer receiving LAHSA-funded RRH rental assistance. Consistent with the findings in our May 24, 2019 shared housing report, 23 percent of those exits (526) resided in a shared housing setting at the time of their exit and 125 (six (6) percent) were in a shared bedroom arrangement. (Note: HMIS collects exit data on the head of household; therefore, it is possible that tenants residing in shared bedrooms include couples or family units.)

Shared Housing Recommendations

The lack of affordable housing in Los Angeles intensifies the City's need to ensure unhoused people are presented with as many options as possible to exit homelessness. Shared housing offers a more affordable option for clients and therefore makes it possible for many tenants to pay their housing costs without ongoing assistance.

*Funds for a Shared Housing Pilot*

This report recommends reserving up to \$5,000,000 to support a minimum of 400 shared housing RRH placements – at an average cost of up to \$12,500 per participant. This is the average cost of a RRH placement, and will account for rental assistance, case management, and the additional expense of integrating a peer specialist. LAHSA reports sufficient capacity to operate a pilot at this scale and that the number of placements will allow LAHSA to evaluate shared client outcomes and implement best practices in future Request for Proposals (RFP). If approved, we recommend that these funds be allocated through LAHSA’s next RRH RFP, anticipated for release in the first quarter of calendar year 2020. Currently, the only available source of funding for this recommendation is the City’s allocation from the State of California Homeless Housing, Assistance, and Prevention Program (HHAPP) grant, which may not be available until May 2020. Allocation of HHAPP funding is subject to an approval process that is currently under development.

#### *Standard Shared Housing Lease Agreement*

LAHSA is collaborating with the Inner City Law Center to develop a standard shared housing lease agreement, which will comply with SB 1380 requirements. We recommend that shared housing providers be required to use this standard lease agreement for all shared housing placements supported with funds discussed in this report.

#### *Peer Specialists*

Based on best practices, it is recommended that LAHSA require shared housing RRH providers applying for funding through this pilot to include peer specialists in addition to case management in their program design. Peer specialists assist shared housing tenants to resolve issues during the transition from homelessness to permanent housing and remain stably housed. LAHSA should assess whether peer specialists should be a required component for all shared housing RRH placements.

#### **FISCAL IMPACT**

There is no anticipated impact to the General Fund. If the recommendations in this report are approved, funding will be reserved from the City’s State of California Homeless Housing, Assistance, and Prevention Program (HHAPP) Grant, subject to funding approval procedures established by the Mayor and City Council and pending receipt of grant funds from the state.

Attachment 1 – CAO Report Dated May 24, 2019 – Shared housing: Initial Findings and Recommendations

*RHL:YC:MB:HFR:16200016*

REPORT FROM

**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**

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Date: May 24, 2019


CAO File No. 0220-05151-0089

Council File No. 18-0475

Council District: All

To: Homeless Strategy Committee

From: Richard H. Llewellyn, Jr. City Administrative Officer



Reference: C.F. 18-0475 – Motion (Bonin-Huizar) Relative to Expanding Shared Housing

Subject: **Shared Housing: Initial Findings and Recommendations**

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**SUMMARY**

The City Council adopted recommendations from the Homelessness and Poverty Committee relative to Motion (Bonin-Huizar, C.F. 18-0475) instructing the City Administrative Officer (CAO), with the assistance of the Los Angeles Homeless Services Authority (LAHSA), to report on the following:

1. The use of shared housing countywide and available funding sources to expand this housing option throughout the City; and
2. Opportunities to incorporate shared housing into the range of services offered to residents of A Bridge Home facilities.

This report outlines our initial findings and recommendations.

**INITIAL FINDINGS:**

Our recommendations below are based on the following initial findings:

1. Due to the lack of affordable housing in the region, shared housing has become an integral part of the homeless services delivery system;
2. There is a lack of data on the effectiveness of shared housing as a permanent housing solution;
3. Based on the limited data, the majority of service providers consider the communal housing model to be the most promising practice because it is consistent with the Housing First policy and ensures the tenancy rights of participants;
4. Initial data indicates that shared housing is best suited for low acuity clients who do not need onsite supportive services; and
5. Data on placement success and best practices is needed before making a determination regarding programmatic changes and funding recommendations.

## RECOMMENDATIONS

That the Homeless Strategy Committee review the following recommendations and forward to the City Council for consideration:

1. Instruct the City Homeless Coordinator, with the assistance of LAHSA, to report back in early 2020 on the following:
  - a. An analysis of the first full year of shared housing data collected by LAHSA and any additional data provided by the Self-Help and Recovery Exchange (SHARE!), including, housing retention outcomes and to the extent the data is available, a comparison of resident housing retention between the communal and collaborative shared housing models;
  - b. Shared housing best practices based on LAHSA's data and the Shared Housing Toolkit, funded by the Conrad Hilton Foundation, expected to be released in late 2019; and
  - c. Policy, programmatic, and if appropriate, funding recommendations.

## BACKGROUND

Shared housing is a standard housing option used by LAHSA-contracted service providers in which two or more unrelated households share a housing unit. In response to the Council's instruction, the CAO and LAHSA reviewed available data and interviewed service providers that place clients in shared housing, the Los Angeles Department of Health Services (DHS), which provides resources to these clients, and consultants preparing a toolkit of shared housing best practices for the Los Angeles region. The service providers interviewed include Coordinated Entry System (CES) lead agencies: Special Services for Groups/Homeless Outreach Program Integrated Care System (SSG/HOPICS); People Assisting the Homeless (PATH); and The People Concern (TPC). The CAO and LAHSA also interviewed and made a site visit to SHARE!, an agency that, in addition to operating self-help support groups, offers shared housing to homeless clients, exclusively according to the collaborative model discussed in this report. SHARE! does not currently contract directly with LASHA for housing services.

### Available and Pending Data

A major challenge to assessing the effectiveness of shared housing is the lack of available data. In January 2019, however, LAHSA updated the Homeless Management Information System (HMIS) to begin collecting data about shared housing placements according to the following definition, developed in consultation with the U.S. Department of Housing and Urban Development (HUD),

“[a unit] being occupied by two or more unrelated households. A shared housing unit must consist of a sleeping area, shared common space, a bathroom, and facilities for cooking and food storage. Bedrooms can be used by a single resident or shared with another unrelated individual. Each individual or household must have a standard lease agreement that provides full rights to tenancy.”

In addition to shared housing placements, the data will also indicate whether participants rent their own bedroom, rent a shared bedroom, the placement location, and monthly rent (inclusive of rental subsidies).

Clients are currently being placed in shared housing with the assistance of Rapid Rehousing (RRH). The RRH program is designed to be a Housing First, low barrier, harm reduction, crisis response program that provides limited term rental subsidies and supportive services to assist individuals experiencing homelessness to return to housing as quickly as possible. When the term of RRH assistance expires, clients are expected to assume responsibility for the full amount of the rent.

Of the 1,696 total RRH placements between January 2, 2019 and April 30, 2019, 25 percent (425) reside in a shared housing setting. 75 percent of these shared housing clients have their own bedroom (communal model) and 25 percent share bedrooms (collaborative model). The communal and collaborative shared housing models are discussed below. On average, RRH clients, including those placed in shared housing, have lower service needs than other homeless clients. Each person services through the CES, administered by LAHSA, are assessed for their level of need. This assessment results in an assigned acuity score. Acuity scores range between one (1) and 17, with 17 being the highest level of acuity. The higher an individual's acuity, the greater their service need and vulnerability to long-term harm as a result of experiencing homelessness. HMIS data indicates that the average acuity score for RRH clients placed into shared housing was seven (7), which is the same as the average acuity score for all RRH placements. This information is based on a small sample size, however, and requires further evaluation once more data is available.

### Use of Shared Housing Countywide

LAHSA's RRH providers place clients in shared housing due to the lack of affordable housing units in the region. The two most commonly used shared housing models in Los Angeles County are communal housing and collaborative housing. Communal housing arrangements involve placing non-related clients in single-family homes or apartments with two (2) or more bedrooms. Communal housing clients traditionally have their own bedrooms that can be locked for privacy. Collaborative housing placements through SHARE! involve clients entering housing environments in which bedrooms are shared with one or more roommates in single-family homes with three (3) or more bedrooms.

#### *Communal Housing*

Communal housing tenants typically have individual leases and rental agreements, which protect clients against no-fault eviction and ensure they have autonomy from roommates, avoiding liability for unpaid rent if a room within their unit becomes vacant. In addition, communal housing units



utilizing RRH vouchers are required to pass LAHSA's habitability standards used for permanent housing placements. Common areas within shared houses or apartments allow tenants to socialize, while also maintaining privacy.

Service providers interviewed match clients to a shared unit using a number of resources, including the Lease Up Housing Locator, an initiative funded by County Measure H through a contract with PATH. Lease Up connects providers with an inventory of available housing options, which include shared housing units. To date, 39 percent of units available through Lease Up are shared housing. Rent for a single room within a unit is estimated at \$600 to \$1,100 per month.

Specialized staff are not required for communal housing placements, rather this model benefits from existing case management services offered through the RRH program. Case managers are able to track their clients' needs as they navigate various issues related to housing stability and continue to assist clients with identifying resources to pay their rent when RRH assistance expires. Data on the average length of stay is not yet available through LAHSA's HMIS.

Many service providers stated that private rooms with individual leases is the most promising shared housing practice.

#### *Collaborative Housing*

Currently, SHARE! is the only provider that exclusively provides collaborative housing, placing at least two clients together in one bedroom. Residents of SHARE! homes enter into individual resident agreements with each private landlord. These agreements are not typical leases, inasmuch as they do not protect against no-fault eviction and in the event of resident conflicts, clients agree to accept a placement to a different SHARE! home with a same-day notice. SHARE! property owners also set house rules specific to each property, such as curfews and restrictions on alcohol consumption.

Typically, collaborative housing participants pay rent directly to private owners without a RRH subsidy. As such, this model is a good option for individuals with employment or other income. In some cases, RRH assistance can be used in communal housing if a rental agreement is modified to align with LAHSA RRH standards, which require rental agreements with full tenancy rights.

According to sample resident agreements provided by SHARE, clients are expected to participate in three self-help support group meetings per week. SHARE! relies on peer bridgers to support collaborative households with conflict resolution between housemates and landlords and other day-to-day assistance to ensure clients remain housed. While peer bridgers are not licensed social workers, they receive training and have lived experience with trauma, which helps them to understand tenants' needs. Average cost to each tenant in collaborative housing is \$460-\$575 per month.

SHARE! self-reports that the average acuity score of clients in collaborative housing is 8.7 and 37 percent of tenants gain employment. The data provided by SHARE! for 523 residents indicates that the average length of stay is six (6) months. Data was not provided on the housing destination outcomes (e.g. permanent housing, family reunification) of clients who exit a SHARE! unit.

Because SHARE! is not a LAHSA service contractor, only data for clients placed in a SHARE! unit by a LAHSA-contracted agency will be captured in HMIS. SHARE! participants that are placed in the agency's units by other means, including direct placement by SHARE!, may not be available for further evaluation.

The attached chart provides a comparison of the communal and collaborative shared housing models.

### Shared Housing Challenges and Opportunities

Shared housing is a useful tool for placing clients into housing in a tight rental market, but it presents several challenges. Consistent with the Housing First model, communal housing is a low-barrier model with standard lease agreements. Clients presented with a shared housing unit have the option to decline. Housing First best practices may occasionally conflict with collaborative housing as implemented by SHARE!, which include more restrictive house rules and participation requirements in services and self-help groups.

Service providers reported success when clients are able to select their roommates. Trauma encountered living on the street can cause a severe distrust of others, making it difficult for clients to feel comfortable accepting a shared living arrangement. Additionally, almost all providers reported at least one incident of physical assault within shared units resulting in police intervention. Such risks may be reduced in households with clients who have chosen to live together. At present, there is no standard roommate matching tool, and while matching software has been explored, there is little evidence to support its effectiveness. Providers reported that hosting resident mixers in a crisis or bridge housing facility has helped residents identify a roommate, increasing shared housing uptake and resulting in better outcomes for clients who choose this option.

As discussed above, peer bridgers are needed to implement collaborative housing, but are not needed for communal housing, which benefits from the existing case management infrastructure. It should be noted, however, that further research is needed to determine how this arrangement impacts case managers' capacity to manage caseloads, due to added responsibilities associated with clients in communal housing, such as conflict mediation among housemates. Many case managers also reported that most of their clients still struggle to pay market rent even after obtaining full-time employment. CES leads also reported that some shared housing landlords have abused RRH landlord incentives by intentionally turning over beds quickly, raising rents to maximize the RRH subsidy, or placing an unsafe number of beds in one room.

### Toolkit in Development

The Conrad N. Hilton Foundation has funded the development of a Shared Housing Toolkit for the Los Angeles region, expected to be released in late 2019. The Toolkit's key components will include shared housing best practices and practical solutions to common issues, including:

- Roommate matching;

- Landlord engagement;
- Leasing agreements;
- Rental assistance;
- Tenant and landlord mediation;
- Supportive services; and
- Compliance with fair housing laws.

#### Program Enhancement and Funding

Shared housing is increasingly being integrated into existing programs, including RRH, and used by many providers as a housing option to more quickly move participants out of homelessness and into housing. At this time, however, given the lack of available data, this Office does not recommend increasing funding to enhance the program. We will continue to monitor the program and report back with additional policy and/or funding recommendations once a full year of shared housing data is available from LAHSA's HMIS, and the Shared Housing Toolkit has been released. We will also request additional data from SHARE! to include in this analysis.

*RHL:YC:MB:HFR:16190054*

Attachment. Communal Housing and Collaborative Housing Comparison

**ATTACHMENT  
COMMUNAL HOUSING AND COLLABORATIVE HOUSING COMPARISON**

	<b>Communal Housing</b>	<b>Collaborative Housing</b>
<b>Landlord Engagement</b>	<p>Landlords encouraged to:</p> <ul style="list-style-type: none"> <li>• Lower screening standards to align with the requirements of rental subsidy clients.</li> </ul>	<p>Landlords encouraged to:</p> <ul style="list-style-type: none"> <li>• Lower screening requirements to reduce barriers for clients.</li> <li>• Set monthly rental amounts for tenant.</li> <li>• Fully furnish the home.</li> </ul>
<b>Living Arrangements</b>	<ul style="list-style-type: none"> <li>• Individuals are placed in single-family homes or apartments with two or more bedrooms.</li> <li>• Each bedroom is typically occupied by one tenant.</li> </ul>	<ul style="list-style-type: none"> <li>• Individuals are placed in single-family homes.</li> <li>• Two or more non-related individuals share a bedroom.</li> </ul>
<b>Supportive Services</b>	<ul style="list-style-type: none"> <li>• Clients continue to work with case managers as they transition into permanent housing, helping them to navigate the challenges of signing a lease, moving into a new home, and the dynamics of having roommates and a landlord.</li> </ul>	<ul style="list-style-type: none"> <li>• SHARE! Employs “peer bridgers” to assist housemates with conflict resolution and provide assistance navigating social dynamics of collaborative housing.</li> <li>• While peer bridgers are not licensed social workers, they receive training and have lived experience with trauma, which helps them to understand tenants’ needs.</li> </ul>
<b>Tenant Agreement</b>	<ul style="list-style-type: none"> <li>• Individual tenants each have a separate lease with the landlord.</li> <li>• Depending on the source of rental subsidy, rent may be paid by service providers on behalf of the tenant.</li> </ul>	<ul style="list-style-type: none"> <li>• Individual tenants each have a separate resident agreement with the homeowner. Tenant agreement authorizes SHARE! to move tenants to another SHARE! location within 24 hours of a conflict arising.</li> <li>• Tenants pay rent directly to landlord.</li> </ul>
<b>Eligibility for Funding/Cost to Tenants</b>	<ul style="list-style-type: none"> <li>• Clients who qualify for RRH assistance are good candidates for communal housing.</li> <li>• Rent for a single room within a unit is estimated at \$600 to \$1,100 per month.</li> </ul>	<ul style="list-style-type: none"> <li>• Average cost to each tenant in collaborative housing is \$460-\$575 per month. These costs include rent, utilities, furniture, and cable and internet services.</li> </ul>

Attachment 1

	Communal Housing	Collaborative Housing
<b>Recourse if Housing Situation is Not Suitable for Tenant</b>	<ul style="list-style-type: none"> <li>• Landlord must go through an eviction process to remove a tenant for cause.</li> <li>• Service providers will work to resolve issues with landlords to avoid eviction, which can create a negative record for the client.</li> </ul>	<ul style="list-style-type: none"> <li>• Tenants may be removed without a formal process on the same day an issue arises; however, clients are typically placed into a new unit the same day.</li> </ul>
<b>Retention &amp; Outcomes</b>	<ul style="list-style-type: none"> <li>• 75 percent of the 425 clients placed into shared housing have their own bedroom.</li> <li>• A full year's data on shared housing placements and retention will be available in January 2020.</li> </ul>	<p>SHARE! self-reports:</p> <ul style="list-style-type: none"> <li>• The average length of stay is six (6) months, and 37 percent gain employment. SHARE!</li> <li>• The average tenant acuity score is 8.7 (out of 17),</li> <li>• 60 percent of tenants regularly attend self-help support groups.</li> </ul>