MARKET-DRIVEN APPROACHES TO ADDRESSING HOUSING, HOMELESSNESS AND HEALTH

FRIDAY, APRIL 26, 2019 // 1:00PM // UCLA Anderson
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Chief Development Officer, FlyawayHomes

- **Percent of Persons**
  - Transitional
  - Episodic
  - Chronic

- **Number of Days Used**
  - Transitional: 1.19 stays, 20.4 days
  - Episodic: 3.84 stays, 72.8 days
  - Chronic: 1.53 stays, 252.4 days
Background Characteristics by Cluster
Single Adults in Philadelphia

Source: Kuhn & Culhane, 1998
NY/NY Permanent Supportive Housing Study: Costs and cost offsets per unit

<table>
<thead>
<tr>
<th>Service</th>
<th>Annualized Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>DHS Shelter</td>
<td>$3,779</td>
</tr>
<tr>
<td>OMH Hospital</td>
<td>$8,260</td>
</tr>
<tr>
<td>HHC Hospital</td>
<td>$1,771</td>
</tr>
<tr>
<td>Medicaid – Inpatient</td>
<td>$3,787</td>
</tr>
<tr>
<td>Medicaid - Outpatient</td>
<td>($2,657)</td>
</tr>
<tr>
<td>VA Hospital</td>
<td>$595</td>
</tr>
<tr>
<td>NYS Prison</td>
<td>$418</td>
</tr>
<tr>
<td>NYC Jail</td>
<td>$328</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16,282</strong></td>
</tr>
</tbody>
</table>

Culhane, Metraux and Hadley (2002)
Forecast of age 65+ homeless population
LA County, 2009-15 (actual) and 2016-30 (projected)

Source: Kuhn et al. (2019)
Forecast of age 65+ homeless population
LA County, 2009-15 (actual) and 2016-30 (projected)

<table>
<thead>
<tr>
<th>Cost Reduction Scenarios</th>
<th>More Conservative</th>
<th>Less Conservative</th>
<th>Housing Intervention Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 60-64</td>
<td>$5,951</td>
<td>$9,834</td>
<td>$6,978</td>
</tr>
<tr>
<td>Age 65-69</td>
<td>$6,570</td>
<td>$10,668</td>
<td></td>
</tr>
<tr>
<td>Age 70+</td>
<td>$6,969</td>
<td>$11,346</td>
<td></td>
</tr>
</tbody>
</table>

Source: Kuhn et al. (2019)
Estimated annualized costs and service cost savings for rehousing all seniors (in millions of $)

- Intervention costs: $241 million
- Service cost offsets: $274 million

Source: Culhane et al. (2019)
Could Housing Solutions be Funded by Resultant Service Cost Reductions?

Yes, but only with creative financing
Challenges in LA today

• Serious homelessness crisis
• PSH is not a panacea
• Unsheltered homelessness
• Housing and zoning crisis
• Inequality, precarious housing
• Aging of baby boom cohorts

Homelessness remains visible on our streets

3 out of 4 people remain unsheltered

- 39,396 (75%) Unsheltered
- 13,369 (25%) Sheltered

The number of
- Vehicles
- Tents
- Makeshift shelters

Increased 5%* from last year and 32%* since 2016

*LA CoC excludes Glendale, Pasadena, and Long Beach Co.
FlyawayHomes

Because everyone should be housed, healthy and safe.

THEPEOPLECONCERN
The People Concern

• Formed by the merger of OPCC and LAMP Community

• 56 year-old social service agency

• Annual budget over $50 million

• Successfully placing its clients in permanent supportive housing for over 2 decades – over 95% client retention rate vs. 50-60% national average
EIGHT CORE SERVICES

- Outreach and Engagement
- Mental Health Care
- Housing Services
- Domestic Violence Services

- Life Skills/Wellness Programs
- Income Assistance
- Substance Abuse Services
- Medical Care
<table>
<thead>
<tr>
<th>Homelessness Crisis in Los Angeles</th>
<th>Roadblocks to Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>High development costs</td>
<td>Community backlash</td>
</tr>
<tr>
<td>Long lead times</td>
<td>Housing in pipeline insufficient to meet needs</td>
</tr>
</tbody>
</table>
An experiment to house homeless: private funds

Project aims to build units faster without taxpayer money
FlyawayHomes is Granted
One Million Dollars!

We are proud to announce that FlyawayHomes was selected as a grantee by the Housing Innovation Challenge. Thank you, County of Los Angeles, for believing in our vision!
L.A. approves $120 million to encourage building faster, cheaper homeless housing

By DOUG SMITH  JAN 29, 2019  |  7:20 PM

A shipping container apartment made by FlyAwayHomes in South Los Angeles will soon be home to 32 homeless people. (Christina House / Los Angeles Times)
OUR GOAL

• BY 2028
• 450 SUPPORTIVE DEVELOPMENTS
• 20,000 PEOPLE HOUSED
FlyawayHomes
Key Differentiators

- Building by right
- Smaller lot sizes; shared living
- Modular manufacturing
- Developments funded with Social Impact Equity
- Master leased to The People Concern
- The People Concern provides all support services
PSH ROLL-OUT PROGRAM BENEFITS

PMO
› A single point of responsibility and control for the entire delivery
› Increases accountability and improves collaboration and communication
› Creates economies of scale
› Faster speed to market
› More efficient delivery

Modular Prefab
› Compressed construction schedule
› Financial advantages: lower hard costs
› High controlled craft and quality
› Minimizing site disturbance, noise, traffic, staging
› Pre-inspection at factory reduces inspection time
FlyawayHomes

THEPEOPLECONCERN
Because everyone should be housed, healthy and safe.
An Affordable & Supportive Housing Developer

Allison Riley, Managing Director, Real Estate Development, PATH Ventures
PATH- Making it Home

PATH’s mission is to end homelessness for individuals, families, and communities

Founded in 1984

Created PATH Ventures in 2007

Approach
• Housing
• Outreach & engagement
• Supportive services
About PATH Ventures

• Non-profit, PATH affiliate
• Founded in 2007
• Develop, own, and operate affordable and supportive rental homes
• Emphasis on serving people moving out of homelessness
About PATH Ventures

Collaboratively, PV has built:

- **763** apartment units
- **13** developments
- **500** units in the pipeline/in construction

**Serving:**

- Families
- Veterans
- Seniors
- People with Disabilities

www.ePath.org
Supportive Housing Development: Finance Model

Three Legs

**Capital**
- LIHTC
- Government Programs
  - Local
    - HHH
    - NPLH
    - LA County Trust Fund
  - State
    - AHSC
    - VHHP
    - MHP

**Rent Subsidy**
- LA County Housing for Health
- Section 8
- VASH

**Services**
- Measure H
- Property Operating Income
HHH Funded Projects – Under Construction

PATH Metro Villas – Phase 2
• First HHH Project to start construction - 12/2017
• 122 Apartment Homes
  • 75% - Veterans & Individuals experiencing homelessness
  • 25% - Low-Income Households
• Funding:
  • 4% Federal and State LIHTCs
  • HHH & HOME Funds
  • VHHP & AHSC
• Construction Completion:
  • March 2020
HHH Funded Projects in the Pipeline

**PATH Villas Montclair/Gramercy**

- 63 Apartment Homes
  - Serving individuals experiencing homelessness, including chronic homelessness
- Funding:
  - 4% Federal LIHTCs
  - Local: HHH, HOME, County Funds
  - State: MHP
- Entitlements
  - AB744
- Construction Start
  - December 2019
- Construction Completion
  - June 2020
HHH Funded Projects in the Pipeline

**PATH Villas Hollywood**

- 60 Apartment Homes
  - Serving individuals experiencing homelessness, including chronic homelessness

**Funding:**
- 4% Federal LIHTCs
- Local: HHH
- State: AHSC, NHTF

**Entitlements**
- SB35

**Construction Start**
- December 2019

**Construction Completion**
- June 2020

www.ePath.org
Supportive Housing: IT WORKS

• **90%** of our tenants retain their housing for at least 12 months

• Buildings are run and maintained by **professional staff**

• Providing housing for our most vulnerable community members will make the community safer for all neighbors

• It **saves taxpayer money** by providing homes for our most vulnerable neighbors experiencing homelessness

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