**Homelessness, Housing Insecurity, and Health in California**

**June 2018**

The growing number of people who are homeless or at risk of losing their home has a significant impact upon health care expenditures and implications for the deployment of our health workforce. The toxic stress experienced by people who struggle on a monthly basis to pay for housing costs, referred to in the literature as allostatic load,[[1]](#endnote-1) has a measurable impact in areas such as glucose tolerance and cardiovascular function.[[2]](#endnote-2) The large and growing number of homeless people in California are frequent visitors to emergency rooms, many, if not most suffering from multiple chronic diseases and mental health challenges exacerbated, if not caused by long term exposure to toxic stress and poor living conditions.14,[[3]](#endnote-3)

Building a health workforce for the future requires attention to how we effectively address these challenges. In the near term, deployment of multi-disciplinary teams and integration of physical, behavioral health, and social services is essential to more cost-effective management of these populations. Of equal importance, the leadership of the health workforce community have an important role to engage and press elected officials to increase investments in affordable housing, advocate for a living wage (and demonstrate leadership by providing one for all members of the health workforce), and strategically direct community benefit and investment portfolios to accelerate and scale the development of affordable housing.

Large health systems such as Dignity Health, Bon Secours, Trinity Health, and most recently, Kaiser Permanente, as well as smaller regional systems such as ProMedica and Nationwide Children’s Hospital are investing hundreds of millions of dollars to support the development of affordable housing with wrap around services. More collaborative efforts by competing hospitals in targeted neighborhoods in the same regional market are needed to produce measurable reductions in health care utilization and associated costs. Vermont Medical Center was recently recognized[[4]](#endnote-4) for collaboration with local community development organizations and targeted investments that yielded over $1 million in savings through reductions in length of stay.

The following facts highlight the challenges to be addressed in the state of California…

**Homeless Trends in California**

* **California has experienced a statewide increase of homeless population of 54% since 2013**.[[5]](#endnote-5) Of the 553,742 homeless people in the United States as of January 2017, 134,278 or 24% of the homeless population lived in California, which is double the national per capita level since California represents 12% of the U.S. population.5 The homeless population in California between 2016 and 2017 grew by 16,136 or increase of 13.7%.5
* **68.2% of California homeless population in major cities are unsheltered, and do not live in homeless shelters or supportive housing.**5Nationally, 65% of homeless people are sheltered compared to 31.8% in California.5
* **The perception that homeless people in CA are transient is not accurate**. The vast majority of homeless people in California lived in the cities and counties where they are now homeless; for example, 82% of homeless people in Alameda County are from that county.5
* **In Los Angeles County**, there are 57,794 homeless people with 74% unsheltered. LA City was able to place 17,214 people.[[6]](#endnote-6)
* **In Alameda County**, there are 5,629 homeless people, a 39% increase since 2015. 72% of these people are unsheltered. 2,761 reside in Oakland.5
* **In San Francisco County and City**, there are 7,499 homeless people, an increase from 6,411 in 2013. Forty two percent have shelter, and 69% claim that their residence is San Francisco.5
* **In Orange County**, there are 4,792 homeless people, a 7.6% increase since 2015, Forty six percent are sheltered.5
* **In San Diego County**, there are 9,160 homeless people which represent the fourth largest population of homeless people in the U.S. There are 1,589 homeless families, and 60% are unsheltered.5
* **In Fresno**, there are 1,572 homeless people, an increase of 19%. 1,371 have no physical place to live in Fresno.5
* **114,829 or 21% of people experiencing homelessness are children**.5
* **Older Americans who are sheltered and homeless (ages 51 to 61) grew from 18.9% in 2007 to 22.3% in 2010.**5

**Housing Insecurity in California**

* **Two major contributing factors** to the surge of homelessness and housing insecurity in California have been the escalating real estate costs and the precipitous decline in affordable housing financing at the time it is needed due to real estate costs and growing population.
* **According to the California Housing Partnership** (CHP), affordable housing finance has declined $457 million per year since 2008 resulting in a 64% overall decline in funding for affordable housing due to elimination or the California Redevelopment Authority, cutback on state bond financing, and decline of federal affordable housing dollars.[[7]](#endnote-7) CHP also reported in 2017 that there are 54% fewer low-income housing tax credit dollars in 2017 due to changes in the tax credit and nervous investors.7
* **The California** **state poverty rate is 15.4%** but when high housing cost rates are added (rental cost burden), the poverty rate jumps to 20.4% statewide.7 LA County poverty rate is 17.2% and the **housing burden poverty rate is 24.9%.**7 CHP Source using NLIHC- Out of Reach Publication
* **California needs 1.5 million additional units of rental housing** to help people with severe housing pressures.7
* **Severe shortage of Public Housing and Section 8 Housing Choice Vouchers in California – The Housing Authority of the City of Los Angeles** was last open for the Housing Choice Voucher Program for two weeks in October 2017, and prior to that October 2004.[[8]](#endnote-8) There is a waiting list of 20,000 selected through a lottery competition.8 The average time to secure housing was 53 months.8
* **City of Richmond – The Richmond Housing Authority had openings for Housing Choice Voucher and Project-Based Vouchers** for 5 days in November 2017.8 1000 individuals were selected in a random lottery to be on the waiting list for these vouchers, and no time is given for when they will receive their vouchers.8
* **There has been a significant reduction of affordable housing unit production** due to lack of funding. The decline of production in new construction and acquisition and rehab statewide from 2016 to 2017 was from 24,317 to 13,335 units.7
* **California Housing Partnership** found that the elimination of the Redevelopment Authority in 2009 and large reduction of state bond financing foreshadowed a 14% increase in homelessness in 2016-2017.7
* **Households that make less than 50% of median income** **pay up to 66% of their income on rent**, a severe cost burden using data from the National Low-Income Housing Coalition.[[9]](#endnote-9) Renters need to earn 3.5 times the minimum wage to afford median rental costs where they live. The cost is over 4 times in L.A. City and San Francisco.9
* The **estimated state expenditure** for households for a homeowner is $929 and $71 for rental households, a growing disparity.7
* **Corporation for Supportive Housing (CSH)** review of 32 studies (pre and post housing intervention) shows **significant cost savings** through a supportive housing strategy linking services and health to permanent supportive housing.[[10]](#endnote-10) Some of the outcomes include:
  1. 62% decline in emergency room costs;10
  2. 59% decline in health care costs;10
  3. 66% decline in ambulance costs;10
  4. 61% decline in ED visits and 59% decline in charges after two years;10
  5. 57% decline in expenditure on mental health services after one year;10
  6. 87% savings estimated for para-medics;10
  7. 87% savings estimated for outpatient visit.10

**Housing and Health**

**Homelessness is a health equity issue.** People who are homeless are focused on immediate survival and are not positioned to take care of their health or keep up with their medical care. One-third of homeless people of color are not in shelters.[[11]](#endnote-11) Vulnerable populations make up a large share of homeless people, including veterans, and people with behavioral health issues or substance abuse issues.11 Fifty-two percent of homeless deaths in Boston were attributed to alcohol, tobacco, or other drugs; chronic conditions, violence in shelters, and conditions for disease to spread all further complicate receipt of quality health care for homeless people.11 Poor health outcomes are associated with instable housing, especially for adolescents and children.[[12]](#endnote-12)

**Emergency Department** (ED) visits in Southern California have **increased to 6.5 million in 2016, a 77 percent increase** during a time when ED visits were expected to decline due to increased rates of insurance coverage due to the implementation of the Affordable Care Act increased insurance coverage.[[13]](#endnote-13) Some of this increase can be **attributed to a lack of providers needed to treat patients in other settings – particularly a shortage of behavioral health providers**.13 58,000 homeless people in Los Angeles County reported a mental illness diagnosis in 2017; without a sufficient workforce to provide behavioral health care, mental health patients are being sent to EDs.13 Homelessness has been associated with an increase in ED utilization.[[14]](#endnote-14)

**In response** to a **57% increase in the growth of the homeless veteran population in 2017** **to 4,828** the a peer support network is under development in Los Angeles County to employ veterans and to help other veterans navigate the health care and housing systems to access resources and prevent homelessness.[[15]](#endnote-15)

The University of Vermont Health Network launched a Housing is Healthcare initiative, investing in emergency housing and wraparound services to address homelessness and community health. Staying in the housing facility reduced direct cost of care for a group of 147 patients by 73% in the three months following receipt of housing and services including both inpatient and Emergency Department utilization.[[16]](#endnote-16)

Around the country, there are over 250 health care for the homeless programs that include multidisciplinary health teams to address the health care needs of homeless populations.11

**Innovative California Initiatives That Connect Housing Vulnerability to**

**Health and Social Supports**

1. **Los Angeles County Homeless Initiative –** The Los Angeles County Homeless Initiative was created by the Board of Supervisors to reduce number of homeless through coordinating 47 services that impact housing and jobs transitioning people to permanent housing.[[17]](#endnote-17) L.A. County voters approved Measure H on March 7th, 2018 to fund $355 million over 10 years to fund services and housing.17 They have created 1000 jobs to help homeless individuals.17
2. **San Francisco Direct Access to Housing Model –** Using the Direct Access to Housing program (DAH), the San Francisco Department of Public Health (DPH) has been able to secure approximately 1800 permanent supportive housing units.[[18]](#endnote-18) DPH has used the Housing First model and placed their patients into housing and reducing health care costs.18 One of the innovative features was the creation of an interagency loan committee of housing, health, and human service agencies that provided a one-stop shop for capital, services, and operating budget. Longitudinal data shows significant reduction in high-cost institution-based services after housing with estimated decreases in healthcare costs over $30,000 per year.18
3. **Community Care Setting Pilot (CCSP) of the Health plan of San Mateo (HPSM) -** CCSP is a partnership with the County of San Mateo, non-profit housing organizations and the public housing authority that provides intensive transitional case management and care coordination alongside housing services and supports.18 The program provides community alternatives to institutional care for HPSM members with a focus on Dual Eligible individuals through the framework of California Medi-Connect itself a state pilot to align costs and savings between Medicaid and Medicare. As a result, the HPSM has already successfully transitioned 124 individuals from long-term care with their post-transition costs 50% lower than it was for the six months prior to moving into the community.18

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