

SUBJECT: **DEVELOPMENT AND IMPLEMENTATION OF WEST HOLLYWOOD GUARANTEED INCOME PILOT PROJECT**

INITIATED BY: **MAYOR LINDSEY P. HORVATH**

PREPARED BY: **HUMAN SERVICES AND RENT STABILIZATION DEPARTMENT**
(Christof Schroeder, Director)
(Corri Planck, Strategic Initiatives Manager)
(Diane Kahn-Epstein, Strategic Initiative Program Administrator)

STATEMENT ON THE SUBJECT:

The City Council will consider directing staff to further develop and implement a guaranteed income pilot project in partnership with Mayors for Guaranteed Income and the Center for Guaranteed Income Research (University of Pennsylvania's School of Social Policy and Practice).

RECOMMENDATIONS:

- 1) Direct the Strategic Initiatives Division to further develop and implement a guaranteed income pilot project in partnership with Mayors for Guaranteed Income and the Center for Guaranteed Income Research.
- 2) Authorize the City Manager or designee to sign documents related to the pilot project and its related grant applications, contracts, MOUs, etc.

BACKGROUND / ANALYSIS:

In January 2021, the City Council approved an item for the City of West Hollywood to join the Mayors for Guaranteed Income (MGI) network and authorized staff to explore a guaranteed income pilot project for West Hollywood, including identification of partnerships for research, funding, community implementation, and evaluation.

Since then, MGI has continued to grow; there are more than 53 mayors/cities across the country that are supportive of guaranteed income and/or have developed and implemented pilot programs targeting various populations to receive a guaranteed income.

Guaranteed income is a monthly cash payment given directly to individuals experiencing economic inequality and instability. These programs are not conditional, and are designed to supplement, not to replace, any existing supports and benefits individuals or families may be accessing. The overall goal of guaranteed income programs is to empower recipients to address their most urgent needs and strengthen their financial safety net.

California is leading the way on guaranteed income; there are more than 15 programs in various stages of development and implementation in cities throughout the state that range from Stockton to Long Beach, Oakland to San Diego, Compton to Palm Springs,

and include both the City and County of Los Angeles.

The City of West Hollywood has long been committed to serving and supporting the most vulnerable in our community through affordable housing programs, a diverse array of social services, and reduced or waived fees for transportation services. The development of a guaranteed income pilot is another way to address and reduce the financial burdens and poverty experienced by some community members.

Strategic Initiatives staff have researched several guaranteed income pilots, participated in multiple information sessions presented by What Works Cities/Bloomberg and MGI, and have been in consultation with many guaranteed income program leaders and evaluation experts to determine the best way to move forward in developing a pilot program for West Hollywood.

Even prior to the COVID pandemic, nearly 40% of Americans could not afford a single \$400 emergency, a reality that has been severely compounded by the pandemic. The economic impacts of the pandemic have exacerbated the challenges facing people living in poverty and created financial stress for countless others who have lost jobs/wages.

This has been experienced in West Hollywood as exemplified by the fact that, since March 16, 2020, the City of West Hollywood has provided more than \$1.5 million dollars (\$1,535,258 as of the writing of this report) in rental assistance to 576 unduplicated West Hollywood households that were unable to pay their rent due to COVID-19 impacts.

The 2019 West Hollywood Community Study previously identified the financial vulnerability of LGBT individuals, older adults, and community members living on fixed, low incomes. According to Community Study data, residents ages 55 and older make up 23% of the City's population, but 44% of the residents living in poverty. Overall, 22% of the City's residents live on a fixed income, 14% live below the Federal Poverty level, and 27% live at 200% below the poverty level. It is also important to note that nearly 80% of West Hollywood residents are renters, and the cost of rent is higher in West Hollywood and is not a fixed cost.

In addition to utilizing this localized data, LGBT older adults are often at greater financial risk than their non-LGBT peers. According to the Williams Institute at UCLA's School of Law, this is due to experiencing lifetime disparities in earnings, employment, and opportunities to build savings, as well as years of being denied access to legal and social programs that are traditionally available to adults as they age.

Too many LGBT older adults faced challenges in accessing equal opportunity in the workplace. In addition, many LGBT older adults in long-term relationships experienced the absence of partner recognitions/marriage equality in their prime earning years that created a lack of access to healthcare, life insurance, Social Security, pensions, etc. later in life. The first West Hollywood guaranteed income pilot project seeks to provide a poverty reduction intervention to those who struggle with financial security due to historical and societal inequities.

The proposed West Hollywood pilot program would focus on LGBT older adults, which at this time, would make it both the first LGBT-focused and the first older adult-focused guaranteed income pilot program. The initial proposal would provide 25 recipients with \$1,000 per month for 18 months, for a total disbursement cost of \$450,000.

While city staff, in partnership with the research and evaluation team from the Center for Guaranteed Income Research, will continue to finalize the details, the pilot project could include these general eligibility guidelines:

- West Hollywood resident
- Lesbian, gay, bisexual or transgender community member
- 65 years of age or older
- Low income (living at 200% or below Federal Poverty Level 2021 - \$25,760)

Through continued work with the Center for Guaranteed Income Research, these eligibility guidelines may be adjusted. With successful implementation of this pilot and availability of auxiliary funding resources, staff will explore additional pilot projects as part of the City's continued efforts to reduce poverty and stabilize economic insecurity.

In this initial pilot, selection of participants, continued research, and evaluation would be conducted by the Center for Guaranteed Income Research. Community implementation and verification of West Hollywood residency, income, age, etc. would be managed by an outside non-profit agency. For context, this role would be similar to the role that National Council of Jewish Women/Los Angeles (NCJW/LA) and Alliance for Housing and Healing provide for the City in administering the emergency rental assistance program implemented during the pandemic.

City staff -- in partnership with MGI, Southern California Grantmakers, and others -- are exploring funding opportunities within the philanthropic community. In addition, Governor Newsom's May budget revision included \$35 million in matching funds for city/county guaranteed income pilot projects.

On Thursday, July 8th, Mayor Horvath and City staff will participate in the Mayors for Guaranteed Income's summit with other California cities to share best practices, highlight accomplishments to date, and strategize opportunities to increase access to guaranteed income.

CONFORMANCE WITH VISION 2020 AND THE GOALS OF THE WEST HOLLYWOOD GENERAL PLAN:

This item is consistent with the Primary Strategic Goal(s) (PSG) and/or Ongoing Strategic Program(s) (OSP) of:

- OSP-5: Support People through Social Services.
- OSP-12: Actively Participate in Regional Issues.

In addition, this item is compliant with the following goal(s) of the West Hollywood General Plan:

- HS-1: Maintain and pursue humane social policies and social services that address the needs of the community.

EVALUATION PROCESSES:

This pilot program will include a strong evaluation component in partnership with the Center for Guaranteed Income Research at the University of Pennsylvania; it will include

a program officer/principal investigator to gather and analyze data from the West Hollywood pilot.

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

Enhanced health outcomes have been noted in the research from other pilot programs. This will be measured as part of the pilot project's evaluation and will also consider the Aging in Place/Aging in Community domains of livability that are a priority for the City.

COMMUNITY ENGAGEMENT:

Participation in Mayors for Guaranteed Income asks for engagement on advocacy efforts at the local, state and federal levels, in addition to community engagement related to seeking participants for the determined pilot program.

OFFICE OF PRIMARY RESPONSIBILITY:

HUMAN SERVICES & RENT STABILIZATION DEPARTMENT / STRATEGIC INITIATIVES DIVISION

FISCAL IMPACT:

None at this time. The City's partnership with MGI provides the opportunity for consulting, research, and evaluation services from the Center for Guaranteed Income Research to be provided at no cost to the City. Staff will explore philanthropic funding opportunities in collaboration with Mayors for Guaranteed Income, Southern California Grantmakers, and others to help support the distribution and non-profit implementation costs. In addition, the Governor's May revise budget included \$35 million in matching funds for local guaranteed income pilot projects.

ATTACHMENTS:

None