

SUBJECT: **WEST HOLLYWOOD PILOT FOR GUARANTEED INCOME:
UPDATE ON ORIGINAL PILOT AND CREATION OF REVISED
PILOT**

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

STATEMENT ON THE SUBJECT:

The City Council will receive an update on the City's original Guaranteed Income pilot project and consider approving a revised pilot.

RECOMMENDATIONS:

- 1) Receive update on original pilot.
- 2) Approve a revised pilot that modifies one of the eligibility requirements, has a new launch timeline, and retains the same funding and partners as the original pilot.
- 3) Approve an Amendment to the Agreement for services with the Center for Guaranteed Income Research at the University of Pennsylvania to modify the scope of work for the research and evaluation of the pilot to reflect the eligibility change.
- 4) Approve an Amendment to the Agreement for services with the National Council of Jewish Women, Los Angeles to modify the scope of work for the administration of the pilot to reflect the eligibility change.
- 5) Adopt Resolution No. 22-_____: "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD APPROVING AMENDMENTS TO AGREEMENTS FOR THE CITY'S REVISED GUARANTEED INCOME PILOT AND ACKNOWLEDGING THE PUBLIC PURPOSE OF THE CITY'S REVISED PILOT"
- 6) Authorize the City Manager or designee to execute documents incident to the amendments to the agreements.

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 directed staff to develop a pilot for guaranteed income for West Hollywood, including the identification of funding, research and evaluation, and implementation partners.

In December 2021, the City Council approved the West Hollywood Pilot for Guaranteed Income that would provide \$1,000 per month for 18 months to 25 community members that met the following four criteria: (1) West Hollywood resident; (2) Identified as lesbian, gay, bisexual, transgender, queer, intersex or asexual (LGBTQIA); (3) 50 years or older; (4) Living on a low income. The pilot was to be the first LGBTQIA-focused and the first older adult-focused pilot in the country and was designed to acknowledge – and to collect qualitative data around – the lifelong economic disparities that LGBTQIA older adults have faced. The pilot was aligned with the City’s long history of providing social services programming and policy initiatives that support older adults, the LGBTQIA community, HIV survivors and other vulnerable community members.

Once the proposed pilot and partner contracts were approved, staff worked with the National Council of Jewish Women, Los Angeles (NCJW|LA) as the non-profit administrator and the Center for Guaranteed Income Research at University of Pennsylvania (CGIR) as the research/evaluation entity to: create an application for interested participants; design and implement an outreach plan; subcontract for benefits counseling, a local research fellow and non-profit distribution partner; and receive Institutional Review Board (IRB) approval through the University of Pennsylvania.

In March 2022, the City became aware that the pilot, as it was created and supported by a government entity, was susceptible to legal challenges due to the inclusion of LGBTQIA criteria as an eligibility requirement to participate. Protecting the rights of LGBT community members has been a long-standing mission of the City, and the City has worked tirelessly to identify and address inequities. For years, the City -- along with LGBT advocates nationwide, has fought for equal civil rights, including the right to marry, the ability to obtain access to spousal protections and benefits including healthcare and pensions, and efforts to reduce/eliminate discrimination in housing and employment. These hard-earned rights and protections come with other legal consequences as well. Although the City could engage in a legal battle over the contested eligibility requirement, the implications of litigating such a challenge had to be considered.

Having LGBTQIA identification as an eligibility requirement for the pilot could potentially violate the California Constitution as sexual orientation is a protected suspect class in our state. This means that when a law or government-funded program treats persons differently based on sexual orientation, those laws and program are subject to an exacting standard known as strict scrutiny (even if the law is intended to benefit that protected suspect class). Guaranteed income is an emerging area of policy making, with many nuanced components, and there is no direct case law on this issue. However, based on analogous legal situations, negative and unintended outcomes from litigation are probable. On a community level, a decision to engage in a legal battle could have the additional unintended consequence of causing harm to the community members the pilot was created to support.

Therefore, the City Attorney, City staff and pilot partners recommend that the City Council revise the pilot to include three of the four original criteria (residency, age and income

level) in order to satisfy the legal obligations, protect potential participants, and move forward with a program that serves community members in need of financial support and stability.

With tremendous collective frustration and disappointment that we are unable to advance the original pilot, City staff and partners are suggesting a modified path forward: to move forward with a revised pilot designed for older adult West Hollywood community members living on a low income.

Additionally, non-profit partners could elect to raise private dollars to run a pilot specifically designed for the LGBTQIA older adult population, without City involvement.

Support for Revised Pilot for older adults living in West Hollywood on a low income:

California's Master Plan for Aging highlights the challenges facing older adults including poverty and homelessness. "Approximately 20 percent of all people 65 and over in California live in poverty"ⁱ and "a particularly alarming trend is that residents over age 50 are now the fastest growing population of homeless people in many parts of the state..."ⁱⁱ

The City of West Hollywood's local data amplifies California's findings. The 2019 West Hollywood Community Study identified the financial vulnerability of 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% of households have incomes of up to 200% the Federal Poverty Level.

The City's revised pilot aims to test guaranteed income as a means to prevent homelessness, support community members to age in place, and to reduce the stressors of poverty and financial insecurity.

Criteria for Revised Pilot:

If approved by the City Council, the revised West Hollywood guaranteed income pilot program will provide \$1,000 per month for 18 months to 25 recipients who will be randomly selected by CGIR from a pool of applicants, each of whom must meet the following eligibility criteria:

- West Hollywood resident
- 50 years of age or older
- Living on an income of up to \$41,400 or less (based on "Very Low Income" category of up to 50% of the Housing and Urban Development's (HUD) Area Median Income (AMI) in LA County in 2021.)

The research goals of the West Hollywood's revised pilot for guaranteed income remain the same -- to examine the effectiveness of guaranteed income on participants' housing stability/health and mental health/economic security, capture quantitative data to evaluate

the collective impact of guaranteed income on different populations and gather qualitative data to learn more about the income challenges faced by older adults.

All applicants from the first iteration of the pilot will be automatically entered into the pool of applicants for the revised pilot.

Pilot Partners

The infrastructure required to successfully operate a guaranteed income demonstration remains the same. With the Council's approval to move forward with a revised pilot and amended contracts containing the modified criteria, the City will continue to engage the original pilot partners: the Center for Guaranteed Income Research (CGIR) at the University of Pennsylvania as the research and evaluation partner and National Council of Jewish Women, Los Angeles (NCJW|LA) as the non-profit administrator implementing the pilot. City staff will work with both partners to revise the application and conduct community outreach to share the revised criteria with the community.

Pilot Funding

The \$450,000 in direct disbursement funds to participants will continue to come from two external sources: (1) \$337,500 from the Los Angeles County Measure H Innovation funds for homelessness prevention, distributed through the Westside Cities Council of Governments (COG); and (2) the balance of \$112,500 from a private donor, Dr. Sharon Dailey, a University of Pennsylvania alumnus who is interested in guaranteed income, supporting older adults, and honoring her late partner of 39 years, Patricia Dengler.

Launch Update

The launch for the revised West Hollywood Pilot for Guaranteed Income is expected to take place at the end of the second quarter of 2022.

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 PROCESS:

This revised pilot program will include a strong research and evaluation component conducted by the Center for Guaranteed Income Research at the University of Pennsylvania; it will include a program officer/principal investigator and research fellow to gather and analyze both quantitative and qualitative data from the West Hollywood pilot. Following the conclusion of the pilot program, there will be additional data analysis and evaluation, and a final report will be presented to the City Council and the community.

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

Enhanced mental health outcomes have been noted in the research from other pilots. Mental health, health and homelessness prevention/housing retention outcomes will be measured as part of the pilot’s evaluation as they all are integral to promoting several of the City’s priority issues, including Aging in Place/Aging in Community, the West Hollywood Homeless Initiative and the City’s Poverty Reduction Initiative.

COMMUNITY ENGAGEMENT:

The City will work with NCJW|LA to engage the public in an outreach plan, as well as continue to utilize various communications channels, to ensure the community has the opportunity to understand the new requirements and participate in the application process. Once pilot participants are randomly selected by the CGIR and onboarded into the pilot, selected participants will have the opportunity to share their stories about the impact of guaranteed income on their lives as part of the evaluation component of the program.

OFFICE OF PRIMARY RESPONSIBILITY:

HUMAN SERVICES & RENT STABILIZATION DEPARTMENT/STRATEGIC INITIATIVES DIVISION

FISCAL IMPACT:

None. The cost for the revised pilot is the same as for the original pilot.

No City of West Hollywood tax revenue will be utilized for the participant distribution as detailed below.

GUARANTEED INCOME PILOT BUDGET	COST	FUNDING SOURCE
CGIR		
Center for Guaranteed Income Research at University of Pennsylvania Research and Evaluation Services	\$86,236	City of West Hollywood
Center for Guaranteed Income Research Total	\$86,236	
NCJW		

NCJW Non-Profit Administrator Services	\$180,000	City of West Hollywood
NCJW Subcontract with Financial Distributor	\$18,639	City of West Hollywood
NCJW Subtotal for Admin	(\$198,639)	
NCJW Participant Distribution Cost		
	\$337,500	Los Angeles County Homeless Initiative (Measure H) pass through
	\$112,500	Private Donor directed donation to NCJW LA
NCJW Subtotal for Participant Costs	(\$450,000)	
NCJW Total	\$648,639	

ATTACHMENTS:

ATTACHMENT A – Amendment to Agreement for Services with the Center for Guaranteed Income Research at University of Pennsylvania (Trustees of University of Pennsylvania)

ATTACHMENT B – Amendment to Agreement for Services with National Council of Jewish Women, Los Angeles (NCJW|LA)

ATTACHMENT C – Resolution No. 22-_____ “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST HOLLYWOOD APPROVING AMENDMENTS TO AGREEMENTS FOR THE CITY’S REVISED PILOT FOR GUARANTEED INCOME AND ACKNOWLEDGING THE PUBLIC PURPOSE OF THE CITY’S REVISED PILOT.”

ⁱ California Department of Aging, California’s Master Plan for Aging, 2021, pg. 22, <https://www.aging.ca.gov/download.ashx?IE0rcNUV0zYXf9JtT7jkAg%3d%3d>

ⁱⁱ California Department of Aging, California’s Master Plan for Aging, 2021, pg. 22, <https://www.aging.ca.gov/download.ashx?IE0rcNUV0zYXf9JtT7jkAg%3d%3d>