

SUBJECT: **DEVELOPMENT OF WEST HOLLYWOOD POVERTY
REDUCTION INITIATIVE**

INITIATED BY: **MAYOR JOHN HEILMAN**

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STATEMENT ON THE SUBJECT:

The City Council will consider approving a poverty reduction initiative as a pilot program in West Hollywood. The pilot program will target innovative interventions to a defined sample of low-income residents in West Hollywood and evaluate the success of such interventions in assisting people out of poverty.

RECOMMENDATIONS:

- 1) Direct the City Manager's Department to develop a poverty reduction initiative in West Hollywood that includes:
 - a. Gathering local poverty data and researching best practices in poverty reduction programs.
 - b. Identifying a possible collaborative partner (i.e., university, research institute, etc.).
 - c. Enrolling a sample of low-income West Hollywood residents in the program to provide personalized interventions.
 - d. Evaluating the program over a defined period of time, possibly two to three years.
 - e. Providing recommendations on which interventions were the most successful and how such a program could be scaled.
- 2) Authorize staff to negotiate agreements with collaborative partners when applicable and return to City Council for review and approval.

BACKGROUND / ANALYSIS:

The City of West Hollywood is proud of its legacy as a leader in providing resources for its residents. The goal of the diverse group of LGBT activists, seniors, and renters who helped found the City over 30 years ago was to develop a City with progressive policies and strong tenants' rights protections. With these goals in mind, a social services program developed that has since provided millions of dollars in grants to fund programs and services for seniors; people with HIV/AIDS; members of the LGBT community; people with disabilities; alcohol and drug recovery programs; support programs for Russian-speaking immigrants; services for people who are homeless; food

programs; and health and mental health care services for people who are uninsured.

The City's commitment to providing supportive services to its residents remains strong after more than three decades of Cityhood. To further deepen that commitment, this item proposes the establishment of a poverty reduction initiative. This innovative pilot program aims to assist low-income West Hollywood residents by providing participants with individualized support services and interventions. A critical component of this program will include a formalized evaluation process to determine its effectiveness and to develop recommendations that can be scaled to support the larger West Hollywood community.

Local Poverty in West Hollywood and Los Angeles County

West Hollywood's residents are highly educated and well-employed relative to Los Angeles County as a whole. The perception of West Hollywood is that it is a higher income neighborhood; however, the median household income in West Hollywood is consistent with the County's median income – \$56,317 in West Hollywood compared to \$56,196 in Los Angeles County.¹ The proportion of the population in West Hollywood living below the poverty line has slowly increased since 1980 and the percentage of households with income below \$15,000 is now 16.1% in West Hollywood, compared to 12.4% in Los Angeles County.

There are different methods for measuring and defining poverty. The California Poverty Measure (CPM) – developed through a joint research effort by the Public Policy Institute of California and the Stanford Center on Poverty and Inequity -- is a more comprehensive approach to gauging poverty in California. The CPM takes into account the cost of living and a range of family needs and resources, including housing costs and social safety net benefits, to determine how many Californians are living in or near poverty. According to the research, Los Angeles County had an official poverty rate of 18.3% in 2011, but the CPM, which accounts for housing costs and social benefits, puts that figure at 25.6%.

There are many people in West Hollywood and Los Angeles County who are considered "financially vulnerable," defined as households without assets or adequate savings to cover basic expenses for three months in the event of an emergency such as job loss or health crisis. Households that are "liquid asset poor" can all too easily get caught in a vicious cycle of debt and teeter on the edge of financial instability. According to CFED (formerly the Corporation for Enterprise Development), 38.3% of West Hollywood households are liquid asset poor and do not have sufficient liquid assets (money in bank accounts, stocks, mutual funds, and retirement accounts) to subsist at the poverty level for three months in the absence of income. The inability to bounce back from financial pitfalls leaves many households in our community vulnerable. Ensuring pathways to earning decent wages and sustaining employment, saving for emergencies, investing for future goals and protecting assets is important for families and critical to sustainable economic growth.

West Hollywood has several constituencies that make the City uniquely diverse. Some

¹ 2011-2015 American Community Survey 5-year estimates

of these groups are also more financially vulnerable and have unique needs. West Hollywood has a large number of seniors age 65 years and older – approximately 15% of the population. The percentage of seniors over the age of 65 who are living below the poverty level in West Hollywood is 31.3%, compared to 13.4% in Los Angeles County. Because West Hollywood has a strong rent stabilization ordinance and supportive services, many of these long-term residents have been able to age in place in West Hollywood, rather than being forced to move away from their community. The City of West Hollywood developed the “Aging in Place, Aging in Community” five year strategic plan to help the City support individuals as they choose to live at home and within the community safely, independently and comfortably, for as long as possible regardless of age, income, or ability level.

In addition to the low-income seniors on fixed incomes, LGBT residents make up more than 40% of West Hollywood’s population. Research shows that poverty among lesbian, gay, and bisexual people is as high, or higher, than among the heterosexual population. According to a 2009 research report led by UCLA's Williams Institute, studies have found that 24% of lesbians and 15% of gay and bisexual men are poor, compared to 19% and 13% of heterosexual women and men, respectively. Researchers have noted a number of factors that contribute to high and persistent levels of poverty among LGBT communities. Some of the main reasons include: vulnerability to employment discrimination, lack of access to marriage in the past, higher rates of being uninsured, gender and racial inequalities, less family support and family conflict over coming out. LGBT older adults have disproportionately high poverty rates as they have often experienced discrimination across the lifespan and have thinner support networks.

Existing City Programs

In order to provide our community members with the resources that are most relevant, the City’s funding priorities for social services have been updated over the years to adapt to the community’s changing needs. Based on a Community Study done in 2013, the City established nine key recommendations for the social services program going forward:

1. Maintain quality and diversity of social services and expand available resources to support resilience and meet evolving community needs, while also fostering innovation, collaboration, and coordination among social services providers.
2. Develop innovative approaches to support residents aging in place to maintain independence.
3. Intensify outreach and service delivery to address homelessness.
4. Identify additional service resources for substance abuse prevention and treatment.
5. Broaden mental health services, including increased access to psychiatric care.
6. Continue support for comprehensive efforts for testing, treatment, prevention, and education related to HIV/AIDS and other sexually transmitted diseases.
7. Develop educational initiatives on public health issues of importance to our community, in particular, cigarette smoking and alcohol and drug-related harm.
8. Explore concentrated efforts to support households living below the poverty line.

9. Provide multi-faceted, enhancement of constituent-focused opportunities for community engagement and enhance outreach, marketing, and communication about available services and programs.

These recommendations helped determine funding priorities for social services, which include offering shelter beds, homeless outreach services, substance abuse treatment, food and nutrition programs, case management, job training and placement programs and more. In addition to the nearly \$5 million of general fund dollars allocated annually to social services contracts the Social Services Division also oversees an agreement to administer \$25,000 in funds allocated to rapid re-housing programs in order to assist in homelessness prevention. The City receives program reports from all of the contracted agencies to quantitatively and qualitatively evaluate the program usage.

In addition to the social services programs, there are other services provided by the City that aim to assist low income residents. The Rent Stabilization and Housing Division is charged with protecting and increasing available affordable housing stock/rent stabilization through education and enforcement of a rent stabilization ordinance, offering of inclusionary units, and partnerships with non-profit affordable housing developers. There are currently over 1,300 units in the City that are exclusively available to very-low, low, or moderate income households. This number is increasing as new developments are completed, but the demand for affordable housing far outweighs the available supply.

The City has also instituted a Homeless Initiative to address homelessness with a multi-disciplinary, multi-agency collaborative response which includes the Departments of Human Services & Rent Stabilization, Public Safety, and Economic Development. This initiative helps West Hollywood connect the work of our City with the work of Los Angeles County and the Westside Cities Council of Governments to address homelessness on a regional scale.

Poverty Reduction Initiative

The support offered through the City's existing programs provides community members with vital resources to remain healthy and housed in West Hollywood. The proposed poverty reduction pilot program will complement the services already offered by the City to provide participants with a comprehensive evaluation of their needs, connect them to available services, and determine long-term solutions for poverty reduction in West Hollywood. The program will provide one-on-one targeted assistance to participants with the goal of easing their financial situation and lifting them out of the cycle of the poverty.

The pilot program will include four main stages:

1. Gather local poverty data and research best practices in poverty reduction programs.
2. Partner with a local university or research institute to assist in developing the key research questions and evaluation methods for the program.
3. Interview a sample of low-income West Hollywood residents to determine the

particular challenges these households are facing and develop a series of recommendations to assist the low-income households enrolled in the pilot program.

4. Implement these recommendations over a defined period of time (possibly two to three years) with targeted one-on-one assistance provided to pilot program participants.
5. Evaluate the program to determine which interventions were the most successful and how this program can be scaled to include more low-income residents.

The target audience for the pilot program will be determined as part of the program design phase.

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-11: Community Education.
- 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.
- ED-8: Expand the scope of the City's comprehensive job training and workforce development programs.

EVALUATION PROCESSES:

Evaluation of the pilot program will be an important component of its success. The program will be developed with measurable outcomes to determine its effectiveness, including, but not limited to, the number of people connected to government benefits and/or utility rebate programs; number of people who open accounts at FDIC-insured banking institutions; number of people receiving job training or employment services; possibly determining amount of overall debt paid and funds saved; etc. More outcome objectives – quantitative and qualitative -- will be determined as the scope of the pilot program is established.

ENVIRONMENTAL SUSTAINABILITY AND HEALTH:

Impact on health outcomes to be determined through the pilot project

COMMUNITY ENGAGEMENT:

To be determined

OFFICE OF PRIMARY RESPONSIBILITY:

CITY MANAGER'S DEPARTMENT

FISCAL IMPACT:

None at this time. Staff will incorporate activities related to this item into currently budgeted work plans. If a collaborative partner contract is needed, staff will return at a later date with any additional funding requests.