

03/03/2017

Submitted Electronically

Ben Metcalf, Director
California Department of Housing and Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

Dear Director Metcalf:

Over the past few years, the Office of Health Equity Advisory Committee has valued the opportunity to engage in cross-cutting work with the California Department of Housing and Community Development (HCD). This has included hosting HCD for presentations at our Advisory Committee meetings, including our most recent meeting on 02/06/17, which was focused exclusively on the connection between health equity and housing. In that spirit of partnership and common purpose, we offer the following comments on the Statewide Housing Assessment 2025, *California's Housing Future: Challenges and Opportunities*(Assessment).¹

The mission of the Office of Health Equity Advisory Committee is to promote equitable social, economic, and environmental conditions to achieve optimal health, mental health and well-being for all. As you know, housing is one of the leading determinants of an individual's health status. Housing plays a fundamental role impacting public health from locational attributes to housing quality and affordability. Healthy and stable housing is one of the most basic requirements for a sense of personal security, sustainable communities, family stability and the health of every individual.²

Our comments about the Assessment fall into four categories:

- Policies that promote health equity through housing stability
- Policies that address sub-standard housing
- The impact of housing on health and healthcare costs
- Housing and access needs for vulnerable populations

¹ Linda Wheaton, who serves on the Advisory Committee as a representative of the Health in All Policies Task Force, is also an HCD staff member. To avoid any conflicts of interest, she has recused herself from the submission of this letter.

² Portrait of Promise: The California Statewide Plan to Promote Health and Mental Health Equity. Report to the Legislature and the People of California. (Office of Health Equity, California Department of Public Health. August 2015)
www.cdph.ca.gov/programs/Pages/OHEMain.aspx

1) Policies that Promote Health Equity Through Housing Stability³

The Assessment identifies five high-level challenges that California needs to address to move towards a housing market that is more accessible, affordable, equitable and sustainable.⁴ The second challenge identified in the Assessment is that housing growth is expected in communities with environmental and socio-economic disparities.⁵ When communities experience housing growth, it is typically economically disadvantaged families and communities of color that reap the fewest benefits of the growth. As noted in the 2015 report, *Portrait of Promise: The California Statewide Plan to Promote Health and Mental Health Equity*, foreclosures and rapidly rising rents have contributed to high rates of housing disruption for economically disadvantaged families and communities of color. African Americans and American Indians/Alaska Natives are roughly one-third more likely than the California average to experience a disruptive change of residence during a given year.⁶ Additionally, only 34% percent of households in California can afford to purchase a median priced home in the state; therefore, it is safe to assume that many Californians are renters.⁷ To that end, policies that promote stability in the rental market are in the best interest of the State. Currently, only one recommendation in the Assessment touches on stability for renters: “Encourage local governments to avoid displacement and gentrification by preserving housing opportunities for low-income residents.”⁸ This recommendation should be strengthened and specific policies such as the ones listed below should be included.

Strengthen Rent Control Policies: For tenants, particularly low and moderate-income individuals, rent control is a policy that provides them with some stability and certainty about their housing situation. Housing stability promotes good health, makes it possible to manage health conditions effectively, and reduces the stress caused by an uncertain housing situation. There are several ways that rent control could be strengthened in the State. For example, the State could repeal the Costa-Hawkins law which preempts the ability of cities to establish rent control over many properties. The State could support local rent control through efforts such as passing legislation, providing technical assistance, and developing toolkits.

Promote Stable Housing by Preventing Bad Faith Evictions and Evictions of Long-term Residents: The Assessment should include recommendations related to policies that limit bad-faith evictions. A few cities throughout the state require good cause for a landlord to evict a tenant. This type of policy promotes community stability and reduces bad faith evictions.

Increase Relocation Funding for Vulnerable Tenants Facing Eviction: Some cities and counties have policies and programs in place that provide tenant relocation assistance for certain

³ For more information about the policies listed in these comments see, *Healthy Communities of Opportunity: An Equity Blueprint to Address America's Housing Challenges*. (PolicyLink 2016) and *A Roadmap Toward Equity: Housing Solutions for Oakland, California* (PolicyLink 2015) www.policylink.org.

⁴ *California's Housing Future: Challenges and Opportunities* at 33 (California Department of Housing and Community Development, January 2017) www.hcd.ca.gov/statewide-housing-assessment.

⁵ *California's Housing Future: Challenges and Opportunities* at 38 (California Department of Housing and Community Development, January 2017) www.hcd.ca.gov/statewide-housing-assessment.

⁶ *Portrait of Promise: The California Statewide Plan to Promote Health and Mental Health Equity*. Report to the Legislature and the People of California at 40.

⁷ *California's Housing Future: Challenges and Opportunities* at 33 (California Department of Housing and Community Development, January 2017) www.hcd.ca.gov/statewide-housing-assessment.

⁸ *California's Housing Future: Challenges and Opportunities* at 49.

types of evictions. The state should provide funding to support relocation programs and the development of local infrastructure to provide enforcement and program administration. To accomplish anti-displacement goals, relocation assistance needs to be sufficient, particularly in the state's most costly housing markets.

Increase Funding to Assist Low-Income Homeowners in Keeping Their Homes: There is limited assistance at the local and state level for low-income homeowners who may have difficulty paying for maintenance or accumulated debt on their homes. Many of these homeowners have trouble paying to address code enforcement violations, or may simply accumulate too much debt against their home to pay off. The state should provide funding for tax assistance, debt reduction, and maintenance programs for low-income homeowners.

Prioritize Affordable Workforce Housing to Maintain a Healthy Community: Many communities experience disintegration with the loss of viability of buying or renting for service class workers (including firefighters, police officers, hospitality workers, health care staff, and teachers). These workers inevitably have to commute long hours, creating a scenario in which home and work become separate and fractious places for them and their families. Public school enrollment decreases in the expensive cities and towns, while car mileage and traffic increases, and with it other environmental hazards. Workforce housing inadequacy ultimately becomes a loss of community infrastructure.

Policies that promote stable housing for renters should be part of a larger strategy of housing and community economic investment. Such an approach would ensure that all neighborhood residents can continue to shop, conduct business, and use services in the area.

2) Policies that Address Sub-Standard Housing⁹

A healthy home is more than an affordable house. Ultimately it must also meet at least minimum community safety and health standards and be part of a healthy neighborhood.¹⁰ Below we provide policy recommendations to address substandard or unhealthy housing.

Encourage Routine Code Enforcement by Cities and Counties: City and County Code Enforcement programs should conduct routine inspections of rental units to ensure that rental properties comply with health and safety standards. Currently, the burden falls to the tenant to make these requests. In the extremely competitive rental market described in the Assessment, many tenants fear retaliation from their landlords if they make complaints about their living situation. Enforcement costs money; therefore, the State should consider providing funding to localities that conduct this type of proactive rental enforcement. Alameda County provides one example of how this type of program works in the case of lead poisoning.¹¹ When children arrive at hospitals in Alameda County with asthma or elevated blood toxicity levels, the Alameda County Public Health Department inspects their homes for lead-based paint. The program then

⁹ For more information about the policies listed in these comments see, *Healthy Communities of Opportunity: An Equity Blueprint to Address America's Housing Challenges*. (PolicyLink 2016) and *A Roadmap Toward Equity: Housing Solutions for Oakland, California* (PolicyLink 2015) www.policylink.org.

¹⁰ Portrait of Promise: The California Statewide Plan to Promote Health and Mental Health Equity at 40. www.cdph.ca.gov/programs/Pages/OHEMain.aspx

¹¹ Alameda County Healthy Homes Department. <http://www.achhd.org>.

addresses home repairs to reduce allergens and other asthma triggers. Programs such as this one that directly tie together health and housing could channel health prevention funding toward housing to achieve system-wide savings. Other locales, such as Sacramento¹² and Los Angeles¹³, also offer code enforcement models that could be promoted for replication statewide.

Further, it is important to note that when housing is out of code and remedies are not readily offered, a process designed to protect tenants can actually result in displacement. Not all landlords are in a financial position to update their properties. To minimize displacement in these situations, the State could offer grants or low-interest loans to less resourced landlords willing to quickly remedy the code violations. In the event that code violations are not quickly remedied, the State could offer relocation funds for temporary or permanent relocation to the displaced tenants.

Support Local Efforts to Acquire and Rehabilitate Existing Affordable Housing¹⁴: Many cities recognize the economic logic of preserving and protecting affordable housing units and have acquisition and rehabilitation programs in place. However, these programs are often underfunded, especially since the dissolution of Redevelopment. The funds that supported affordable housing and community economic development in underserved communities have never been replaced which leaves localities with far less funding to develop affordable housing. The State needs to look for alternative funding mechanisms to support local efforts to acquire and rehabilitate existing affordable housing. The third challenge identified in the Assessment is that “unstable funding for affordable-home development is impeding our ability to meet California's housing needs, particularly for lower-income households”.¹⁵ The analysis of this challenge does not reference the loss of Redevelopment funds which should be noted.

Link Development and Housing Needs and Allocations: As described in Exhibit B1 of the Assessment, the Regional Housing Needs Assessment (RHNA) is a process whereby HCD, in consultation with the Department of Finance, projects housing demand by income group to accommodate population growth for all regions of the State. Currently RHNAs are based on assessments of local housing needs, with attention given to vulnerable populations. In theory, the RHNA reflects the current and projected housing needs included in local housing elements. However, regional housing needs are not necessarily tied to decisions about land use and development. To ensure that RHNAs are reflected in housing policies, policymakers at both the state and local level need to act. For example, legislation that allows expedited development for projects that reflect RHNA could be one way to tie developments to the actual needs of a community.

3) The Impact of Housing on Health and Healthcare Costs

The Assessment does a good job of summarizing the State's demographic trends, current housing stock, and the variability across counties and regions of housing affordability. Using statistics

¹² Sacramento City Code http://www.qcode.us/codes/sacramento/view.php?topic=18-18_20-18_20_060

¹³ <http://hcidla.lacity.org/Relocation-Assistance>

¹⁴ <https://www.huduser.gov/portal/periodicals/em/summer13/highlight1.html>

¹⁵ *California's Housing Future: Challenges and Opportunities* at 41.

related to race, age, income, and disability status, the Assessment highlights how challenging it is for many Californians to find stable, affordable housing.

The Assessment could go a step further when discussing the health consequences of the State's high housing costs by providing more information about the health costs linked to substandard and inadequate housing and savings garnered from programs that link preventive health spending to housing interventions.

Investing in adequate housing for all Californians but particularly vulnerable residents can result in significant cost savings for cities, counties and the State by reducing healthcare costs. For example, San Francisco Department of Public Health has achieved millions in Medicaid/Medicare savings by subsidizing supportive housing for seniors with high-cost medical needs, achieving savings averaging \$29,000 annually per tenant.¹⁶

Also, research suggests that moving families out of neighborhoods of concentrated poverty can lead to sizeable savings related to healthcare costs. A 2015 Federal Reserve study found that housing mobility programs could utilize Pay for Success (also known as Social Impact Bonds) financing to achieve significant health savings. The study found that housing mobility programs would generate "significant medical cost savings," concluding that reductions in adult diabetes and obesity could cover the entire cost of moving Medicaid families into healthier living environments.¹⁷

A 2016 report by the Legislative Analyst's Office in San Francisco which looked at the costs to the City of housing approximately 1800 homeless adults found that costs to the city initially rose as the individuals accessed much-needed services but then dropped as they stabilized their lives.¹⁸

A 2016 study which looked at the impact on health care costs when low-income individuals move into affordable housing found that access to affordable housing reduced overall health care expenditures by 12% for Medicaid recipients. This reduction was driven by an 18% decrease in costly emergency department visits and a 20% increase in less costly primary care services. The cost savings came without compromising access or quality of care to residents.¹⁹

4) Recommendations on Addressing Housing and Access Needs for Vulnerable Populations

We strongly support the options listed under the section of the Assessment that addresses housing and access needs for vulnerable populations and make the recommendations below.²⁰

¹⁶<http://content.healthaffairs.org/content/30/11/2056.full.html>

¹⁷ Dan Rinzler, Philip Tegeler, Mary Cunningham, and Craig Pollack, *Leveraging the Power of Place: Using Pay for Success to Support Housing Mobility* (San Francisco Federal Reserve, 2015). <http://www.frbsf.org/community-development/publications/working-papers/2015/july/leveraging-the-power-of-place-housing-mobility/>

¹⁸ *Impact of Supportive Housing on the Costs of Homelessness*. (Office of the Legislative Analyst City and County of San Francisco 2016) <http://sfbos.org/budget-legislative-analyst-reports>.

¹⁹ *Health in Housing: Exploring the Intersection Between Housing & Health Care* is available at: <http://bit.ly/210g51W>

²⁰ *California's Housing Future: Challenges and Opportunities* at 50.

Continue to Promote “Housing First” Strategies: We applaud HCD’s efforts to align State housing programs with evidence-based best practices, such as the “housing first” model to address homelessness, and improvement in supportive services. We recommend that HCD look at how Housing First strategies meet the specific needs of different populations. The Assessment provides a thorough overview of California’s diversity. It is important the public and private agencies which provide supportive services as part of the “Housing First” model honor this diversity in all its forms including but not limited to race, gender, religious affiliation and sexual orientation.

Pay Particular Attention to the Needs of Unstably Housed Youth²¹: Adolescents and transitional age youth experiencing homelessness often have housing needs that are quite different from those of adults. In particular, children who are victims of commercial sexual exploitation have safety and housing needs that overlap; it is imperative that providers have the funding and support to work together to address this need. Safe houses for adult women victims of domestic violence are more established, however safe houses for children who are victims of exploitative, abusive relationships with people who profit from their sexual abuse are very rare. This leaves traumatized victims with two options: 1) be treated as a criminal, risking more traumatization in the juvenile criminal justice system, or 2) find shelter at a shelter for runaway and homeless youth where the location is not protected and security is lax, putting them at risk of re-victimization and intensified violence as "punishment" for attempting to leave. With estimates of over 100,000-325,000 children being commercially sexually exploited every year in the US, and three of the 13 national hotspots for domestic trafficking of minors in California, dedicated funding streams are needed to meet these very real, and all too prevalent needs for safe housing.

Financially Incentivize Effective Partnerships that Link Education, Employment Services, Health and Housing: One housing-education partnership model in California, the Partnership for Children & Youth realized they could better support equitable educational opportunity for all children by working with affordable housing communities to create or strengthen on-site afterschool and summer learning programs. The initiative, HousED, has developed standards for expanded learning programs offered at affordable housing sites, engages affordable housing developments (public housing or in the privately owned affordable stock), and trains program staff.²² Other models exist that demonstrate how funding housing-employment development partnerships²³ or housing-health care partnerships²⁴ reap greater rewards for vulnerable populations. The State could incentivize these types of partnerships.

Increase Participation of Affected Individuals on State and Local Housing Advisory Committees and Boards: To ensure that state and local housing policies address the needs of all of California’s residents, the people most affected by the challenges in California’s housing market must have a voice on the boards and commissions that have the power to shape housing

²¹ For more information about unstably housed youth see, *The Sage Project: Why CSEC Happens*. <http://bit.ly/2mWn9Dj>. Accessed January 30, 2014; Walker K, California Welfare Council. Ending the commercial sexual exploitation of children: a call for multi-system collaboration in California. <http://bit.ly/2mCeXE0>. Published 2013. Accessed January 30, 2014; and Estes RJ, Weiner NA. The commercial sexual exploitation of children in the U.S., Canada and Mexico. <http://bit.ly/2lo62y9>. Published September 18, 2001. Updated February 20, 2002. Accessed January 30, 2014.

²² *Creating a Door out of Poverty Starts with Partnerships* is available at: <http://bit.ly/2mLhDV0>

²³ *CityViews: Results Show Grassroots Groups Can Make a Dent in Causes of Poverty* is available at: <http://bit.ly/2k3Q7An>

²⁴ *Impact of Service Enriched Housing on Health Outcomes* is available at: <http://bit.ly/2lyMVfS>

policies. Processes and practices may need to shift in order accommodate fluid populations that have been displaced, as current policies are generally tied to jurisdiction -- clearly a disadvantage for engaging individuals who are seeking a roof over their heads wherever that opportunity presents itself. The capacity of homeless and housing taskforces varies widely. To that end, we encourage HCD to develop technical assistance resources for local and state task forces to strengthen their ability to participate meaningfully in local and state housing policy debates.

Finally, as a general note, the conclusions in Appendix A "California's Diverse Needs" and Appendix B "Land Use Planning and Policy Influence on Housing Development" are exactly the same. We recommend including conclusions at the end of Appendix A that speak specifically to California's diverse needs.

Thank you for the opportunity to comment on the Statewide Housing Assessment 2025, *California's Housing Future: Challenges and Opportunities*. We acknowledge that there currently exist few funding mechanisms to implement the recommendations in this letter; rest assured that, as external stakeholders, we will do our part to support the development of those required funds. If you have any additional questions regarding the Committee's comments, please contact me at dalila@policylink.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Dalila Butler". The signature is fluid and cursive, with a long horizontal stroke at the end.

Dalila Butler, MPH
Chair, Office of Health Equity Advisory Committee

