

**Evaluation of *LA's HOPE*: Ending Chronic Homelessness
Through Employment and Housing
Final Report**

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Executive Summary

BACKGROUND

LA's HOPE is one of five federal demonstration projects co-sponsored by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Labor (DOL) and awarded in late 2003. The other demonstration projects are located in Boston, Massachusetts, Indianapolis, Indiana, San Francisco, California, and Portland, Oregon.

The Los Angeles partners in this demonstration are:

- Department of Mental Health (DMH—a Los Angeles County agency),
- Community Development Department (CDD—a City of Los Angeles agency), and
- Housing Authority of the City of Los Angeles (HACLA—a semi-autonomous public housing authority).

The demonstration is able to house 76 clients at one time using Shelter Plus Care certificates administered through HACLA. *LA's HOPE* had served 147 clients between its first intake in late winter 2003 and May 2007, the final month that could be included in the outcomes data to be analyzed for this evaluation.

LA's HOPE has two types of goals—the very concrete goals of moving its clients into permanent supportive housing (PSH) and helping them get and keep employment, and the broader goal of creating changed systems of support for people with serious mental illness who have been chronically homeless, many of whom also have long-standing problems with substance abuse. In fall 2005, CDD hired the Urban Institute to conduct an evaluation of *LA's HOPE*, in compliance with federal requirements.

THE STRUCTURE OF *LA'S HOPE*

Two of the three public agencies involved in *LA's HOPE* received resources through the project's federal demonstration grant, and each had a specific role to play.

- CDD is the administrative and fiscal entity for the City of Los Angeles's Workforce Investment Board. It oversees the activities of 17 One-Stops located throughout the city, which are operated by nonprofit and for-profit agencies. These One-Stops are typical employment centers of the type promoted by the U.S. Department of Labor. They offer an array of "universal" activities and resources that anyone may use just by signing in, including computerized access to job openings and resume development. They also offer more intensive supports for people who enroll, including job search assistance, training of assorted varieties, payment for job-related tools and clothing, job coaching, and the like.
- Through *LA's HOPE*, CDD received resources for case management and employment supports for *LA's HOPE* participants—similar to the types of resources and assistance that a person would get when enrolled at a One-Stop, but sufficient to offer *LA's*

HOPE participants the significantly greater level of assistance that their history indicated they would need.

- DMH is the mental health agency for Los Angeles County. Among its many other activities, it oversees 19 programs throughout the county supported by state AB funds. AB funding may be used for “whatever it takes” to move homeless adults with serious mental illness into permanent housing and keep them there. The AB program has been extremely successful in this task, in the process greatly reducing hospitalizations, incarcerations, and of course homelessness among the people it enrolls. *LA's HOPE* selected three of the county's AB programs to supply the wraparound mental health, housing, and related services for its participants.
 - Although a full partner in *LA's HOPE*, DMH and its associated agencies did not receive any funding from the *LA's HOPE* demonstration because they were already being paid through state AB funding to deliver mental health services.
- HACLA is the public housing authority for the City of Los Angeles, performing all the responsibilities of any public housing authority, including administering Shelter Plus Care certificates providing rental assistance to homeless single adults and families. Through *LA's HOPE*, HACLA received the resources for 76 Shelter Plus Care certificates to provide rental assistance to *LA's HOPE* participants.

RECRUITING PARTICIPANTS FOR *LA's HOPE*

Staff at the three *LA's HOPE* AB agencies had responsibility for recruiting participants, which occurred through various emergency shelters and other homeless service providers. To be considered eligible for *LA's HOPE*, people had to meet the following criteria imposed by the federal requirements of the demonstration:

- Chronic homelessness—single adults (i.e., no children present) who (1) are disabled and (2) have been homeless a year or more or have four or more homeless episodes in the last three years, according to HUD's definition.
- Interested in housing.
- Most importantly, they had to be interested in working. While they did not sign an agreement that they would participate in employment, recruitment procedures made it very clear that once housed they would be expected to seek employment.

In addition, the *LA's HOPE* proposal imposed two criteria that federal agencies did not require—that people have a mental illness serious enough to qualify them for DMH services (Axis I diagnosis plus a high degree of functional disability).¹ This specification was needed because

¹ All HUD/DOL demonstrations had to specify a disability on which they would focus—i.e., all clients would be required to have this disability. Four of the five projects specified mental illness; one specified substance abuse. In reality, most demonstration participants had both.

the project planned to use DMH resources to provide supportive services, so participants had to be DMH eligible. The second requirement was that people had to be new to the mental health system, operationally defined as not a DMH client when they enrolled in *LA's HOPE*.

ENROLLMENT—A THREE-STAGE PROCESS

- *DMH Enrollment*—AB programs enrolled people as DMH/AB clients as soon as the people were deemed eligible and agreed to participate in the program.
- *Shelter Plus Care Application and Housing Search*—Once enrolled in DMH, participants were helped to applying for a Shelter Plus Care certificate through HACLA and to locate and secure a suitable housing unit, which was usually an efficiency apartment.
- *Engagement in Work-Related Activities*—*LA's HOPE* has three avenues through which participants may move toward employment. Case managers paid through the *LA's HOPE* grant and working at Goodwill Industries, Inc. helped participants prepare for employment and connect with the One-Stops. In addition, each AB agency had an employment specialist who was expected to work with *LA's HOPE* clients, the Goodwill case managers, and One-Stop staff to promote client employment. Finally, the One-Stops designated for *LA's HOPE* were expected to make some accommodations when working with *LA's HOPE* participants to help them get the most out of One-Stop offerings.

CHALLENGES

The challenges of meeting *LA's HOPE's* goals were great. These challenges interacted with each other in some complex ways and had some serious implications for possible system change.

CHALLENGES ASSOCIATED WITH THE *LA's HOPE* TARGET POPULATION

LA's HOPE sought to serve people with severe and persistent mental illness who met the criteria of the federal definition of chronic homelessness—they were single adults who had been homeless a year or more, or had four or more episodes of homelessness within the past three years, and were “new to the system” in the sense of not currently receiving outpatient services in the mental health system (a similar criterion pertains to new AB program clients). An additional reality was that most (80-90 percent) had co-occurring substance abuse disorders involving alcohol, illicit drugs, or both. As people with long histories of street living, they also tended to have significant physical health problems. Most had no work experience in the year before enrolling in *LA's HOPE*, and probably for several years before that.

Each characteristic of the *LA's HOPE* population posed its own difficulties for the odds of becoming and remaining employed, or employed at a level that carries one out of poverty and beyond the need for public benefits and subsidies.

CHALLENGES ASSOCIATED WITH INTEGRATING THE WORK OF THREE PUBLIC AGENCIES

LA's HOPE involves three government agencies—employment, housing, and mental health—without much history of working together in Los Angeles. As one person said, this was a sort of “shotgun marriage.” CDD had of course worked with Goodwill, as Goodwill was one of CDD's

One-Stops. CDD's Workforce Development Division and DMH had never worked together, nor had CDD worked with HACLA. HACLA and DMH had a relationship because hundreds of Shelter Plus Care certificates administered by HACLA were set aside for DMH use, and HACLA and DMH had worked out application procedures suitable to their use. However, the Housing First approach of *LA's HOPE* and the requirement of chronic homelessness posed new challenges.

Further, the three agencies are part of three different government systems—one is a city agency, one an independent authority, and one a county agency. Thus there is no single person such as a mayor, county executive, or council chair, who can say “work together” and make it happen. These initial circumstances posed major challenges just to assuring the smooth functioning of *LA's HOPE* itself, not to mention the prospect of significant system change.

Circumstances at the start of *LA's HOPE* that posed significant hurdles later on included:

- AB agency staff were being asked to do something new. This “something new,” Housing First plus a serious push on employment, was both philosophically different from agency culture and by implication quite different from the way that non-*LA's HOPE* AB clients were being treated. Staff believed in using permanent housing as a reward for progress on a number of fronts rather than as the first step toward stability. Issues surrounding SSI reflected the differences related to employment. Helping clients apply for SSI is typically the first thing AB staff do, because SSI brings the client a steady income and the benefits of receiving Medicaid. Because SSI eligibility hinges on not being able to work *at all*, AB staff preferred that *LA's HOPE* not promote employment until after a client secured SSI—a process that usually takes months.
- Difficulties at HACLA and slow responsiveness from HUD made the housing part of the “something new” hard to do at first. In addition, HACLA had to decide how to handle the situation when an *LA's HOPE* client proved to be unwilling to participate in any work-related activities.
- DOL did not alter any of its performance standards in any way (e.g., what counts as employment, number of hours of employment expected, job tenure/duration expected, salary expected), despite clear research evidence that people with the types of disability prevalent among the target population were extremely unlikely to be able to meet these standards. Some One-Stops were concerned that working with *LA's HOPE* clients might affect their ability to meet DOL performance standards.
- The CDD staff in charge of this demonstration had no prior experience working with chronically homeless people with several disabilities, with DMH, with HACLA, or with HUD. Nor had they done this type of multi-agency demonstration before.

ACHIEVING HOUSING AND EMPLOYMENT GOALS FOR PARTICIPANTS

LA's HOPE had the very concrete goals of housing its clients and helping them move into paid work, preferably in competitive employment. To assess achievement of these outcomes for *LA's*

HOPE participants, the evaluation analyzed AB program data from the statewide Caminar system used to track client data from the state's many AB programs.²

We compared outcomes for three groups of AB participants as recorded in the Caminar system:

1. LA's HOPE clients, who participated in three AB programs (the "treatment" group);
2. The Affiliated Comparison Group, comprised of all other clients participating in the same three AB programs hosting the LA's HOPE clients and who entered those programs during the same time period that people could enroll in LA's HOPE; and
3. The Other Comparison Group, comprised of clients enrolling in the 16 remaining AB programs in Los Angeles County during the same time period that people could enroll in LA's HOPE.

Members of all three groups had a mental illness serious enough to qualify them for county mental health services—usually an Axis 1 diagnosis of schizophrenia or affective disorder. Members of all three groups were homeless at enrollment or at extremely high risk of homelessness,³ but not all members of the two comparison groups were chronically homeless.

We hypothesized that the LA's HOPE participants would have better housing and employment outcomes than members of the two comparison groups, but we thought that members of the Affiliated group might do better than those in the Other group because they might benefit from having LA's HOPE activities happening in their own programs.

PRE-ENROLLMENT CIRCUMSTANCES OF THE THREE GROUPS

Demographics—the three groups did not differ in their gender or age composition. They did differ by race/ethnicity. LA's HOPE and Affiliated participants were more likely to be African-American than Other participants, Other participants were the most likely to be Hispanic, and Affiliated participants were least likely to be white (report table 2).

Diagnosis—members of the three groups also differed in psychiatric diagnoses. LA's HOPE participants were more likely to have diagnoses of major depression and less likely to have "other" psychiatric diagnoses than the two comparison groups, and the Other comparison group had the highest proportion of people with schizophrenia diagnoses. Finally, a higher proportion of LA's HOPE participants had a co-occurring substance abuse disorder, although the difference does not quite reach statistical significance (report table 2).

Work and income in 12 months before enrollment—93 to 95 percent of each group had not been employed at all; only LA's HOPE participants had any earned income, and that was only for 5 percent. 32 to 33 percent of each group had health insurance at enrollment (report table 3).

² Issues with the Caminar data are detailed in the full report.

³ For instance, leaving jail or hospital with no place to live, having been homeless before incarceration or hospitalization.

Homelessness, hospitalization, and incarceration in 12 months before enrollment—*LA's HOPE* clients were homeless many more days than members of either comparison group, while comparison group members had been incarcerated more days than *LA's HOPE* clients. Members of the Other comparison group were the most likely to have been hospitalized (report table 3).

EMPLOYMENT OUTCOMES OF THE THREE GROUPS

- 84 percent of *LA's HOPE* clients participated in employment-related activities after enrollment, including work experience, training, and employment. These results are based on *LA's HOPE* program records, not the Caminar data.⁴
- Based on Caminar data, *LA's HOPE* clients were significantly more likely to have worked than members of either comparison group, and worked more days on average, whether one looks at full-time employment, part-time employment, or competitive employment. (report table 4).
 - 21 percent had any **full-time employment** versus 8 percent for each comparison group, spending an average of 30 days in full-time employment versus 14 and 8 days for the Affiliated and Other comparison groups.
 - 48 percent had any **part-time employment** versus 14 and 19 percent for the two comparison groups, spending an average of 105 days in part-time employment versus 26 and 29 days for the two comparison groups.
 - 27 percent had any **competitive employment** versus 11 and 13 percent for the two comparison groups, spending an average of 58 days in competitive employment versus 24 and 21 days for the two comparison groups.
- To assess the independent effects of treatment/comparison group membership from personal characteristics, multivariate analyses were conducted on four employment outcome variables—ever employed since enrollment, ever competitively employed since enrollment, number of days between enrollment and first job, and average days in competitive employment since enrollment (report table 5).
 - Only one's group membership affected all of these outcomes, holding constant major personal characteristics. *LA's HOPE* clients consistently had better employment outcomes than clients in the comparison groups.
 - Holding group membership constant, personal characteristics—mental illness diagnosis, age, race/ethnicity, homeless history—had no consistent effects on all employment outcomes, although one or two of these characteristics had a significant effect on a single employment outcome.

⁴ *LA's HOPE* program data include information on all 147 people who were ever enrolled; Caminar data include fewer people because a later start date was chosen for the Caminar data extraction

HOUSING OUTCOMES OF THE THREE GROUPS

- 69 percent of *LA's HOPE* clients had lived in PSH after enrollment. (These results are based on *LA's HOPE* program records, not the Caminar data.)
- Based on Caminar data, *LA's HOPE* clients were significantly more likely to have moved into PSH than members of either comparison group, and spent more days in housing on average (report table 4).
 - 50 percent had ever been in **PSH since enrollment** versus 16 and 2 percent for the Affiliated and Other comparison groups. They spent an average of 98 days in PSH versus 16 and 2 days for the Affiliated and Other comparison group members.
 - They had spent 27 percent of their **time since enrollment in PSH**, versus 8 and 1 percent for the two comparison groups.
- To assess the independent effects of treatment/comparison group membership from personal characteristics, multivariate analyses were conducted on three housing outcome variables—ever in permanent supportive housing since enrollment, number of days between enrollment and PSH placement, and average days in PSH since enrollment (report table 6).
 - *LA's HOPE* clients consistently had better housing outcomes than clients in the comparison groups, holding constant major personal characteristics.
 - Holding group membership constant, some personal characteristics consistently affected housing outcomes.
 - > Compared to white AB clients, African-American and Hispanic clients were only about one-fourth as likely to have lived in PSH since enrollment, were about one-third as likely to move into PSH on any given day, and spent fewer days in PSH since enrollment.
 - > AB clients with a co-occurring substance abuse disorder were about twice as likely to move into PSH on any given day and spent an average of 10 or 11 more days in PSH since enrollment.

CONCLUSIONS FROM THE *LA'S HOPE*-COMPARISON GROUPS ANALYSIS

Clearly *LA's HOPE* achieved its two primary goals—housing chronically homeless single adults with disabilities and assisting them to enter employment. To this finding one may say, “Well of course, that’s what they were trying to do, so naturally their clients would look better on these outcomes than members of the comparison group.” To this response we say, “Exactly.”

The point of the five HUD/DOL demonstrations, including *LA's HOPE*, was to see whether one could take chronically homeless individuals with serious multiple disabilities, bring them directly into permanent housing, and encourage them to seek employment. For many reasons one might have been skeptical that these projects could accomplish these basic goals with this population.

The fact that *LA's HOPE* succeeded against the considerable odds posed by the characteristics of project clients shows that “you get what you try for.” The converse is also demonstrated by the comparison groups—“if you don't try to achieve specific outcomes, you don't get them,” or at least you don't get them as consistently and persistently. *LA's HOPE* clients had major barriers to employment. However, because *LA's HOPE* was specifically focused on two outcomes and had the resources to assure housing and to offer intensive employment supports and services, the *LA's HOPE* clients did markedly better than comparison group members in sustaining housing and participating in employment activities that included full and part time employment. If this works with *LA's HOPE* clients, the odds are it would work with other AB clients and similar homeless people with disabilities *if* the programs that serve them concentrated on these outcomes, *if* they had the needed housing and employment support resources, and *if they believed* that clients such as those in *LA's HOPE* could participate in employment with appropriate supports. The belief is at least as important as the focus and the resources.

ACHIEVING SYSTEM CHANGE GOALS

In addition to goals for individual participants, the HUD/DOL projects were expected to change the public systems involved, moving them toward more collaborative work at the level of serving clients and also at the level of agency interactions and policies. *LA's HOPE* established a steering committee of policy-level staff from CDD, DMH, and HACLA plus representatives of other agencies involved with or supporting the project. This committee had the job of working out the goals, orientations, policy modifications, staffing patterns, and bottleneck reductions within and across agencies that arise in all multi-agency projects. Within a year the project added monthly caseworker staffing sessions once it recognized the lack of any mechanism for jointly addressing multiple client needs and that the various service agencies dealing directly with *LA's HOPE* clients were not moving to integrate their work in helping clients. After four years of *LA's HOPE*, those involved had these reflections on what had been accomplished:

- CDD reported that
 - *LA's HOPE* has put CDD's Workforce Development Division “on the map,” where it could be recognized by other agencies as an organization interested in partnering and extending the benefits of supported employment to populations that might not visit the One-Stops. As an outgrowth of *LA's HOPE*,
 - > CDD's Workforce Development Division staff have been invited to work on employment issues for returning prisoners with state and local criminal justice agencies, are operating a third employment portal in Skid Row at the behest of the Los Angeles mayor's office, and the agency is specified in the mayor's economic development plan as the agency through which all of the city's workforce development activities must flow.
 - > It continues to work with DMH and LAHSA on ways to incorporate employment services into existing approaches to ending homelessness.
 - > The City of Los Angeles Workforce Investment Board has included the *LA's HOPE* population as well as other multi-barrier populations as ones to receive

priority services. CDD is also beginning to work with the state Workforce Investment Board on similar issues.

- Even with the monthly caseworker staffing sessions, direct service staff never did coalesce into a strong multi-agency team.
- The Workforce Development Division is using two technical assistance products of *LA's HOPE*, the Job Retention Toolbox and the Passport to Success case planning tool, in its own One-Stops and has presented them to a broad spectrum of mental health agencies in the county.
- One-Stop staff reported
 - Enthusiasm for developing partnerships with mental health agencies to be able to serve the needs of clients with mental illness, which the Los Angeles One-Stops had identified as an important service gap. The level of interest varied with organizational culture, however. The most enthusiastic One-Stops were those coming from a community service and community development orientation.
- DMH staff
 - Saw two different directions their agency could go with employment—treating it as activities that could enhance clients' quality of life, or treating it as a mechanism for promoting self-sufficiency through earned income. The expectation was that the agency would opt for the former emphasis, making it less important to develop full-scale relationships with One-Stops.
 - Needed to understand that people may not commit themselves to work experience placements within the agency if these placements are not part of a larger plan to move into some type of competitive employment. If quality of life is the goal and competitive employment is de-emphasized, work experience slots may ultimately lose their attractiveness to clients.
 - Recognized that whichever direction the agency went with employment, if it wanted to succeed it would have to insist that contract agencies hire people experienced in helping people with disabilities to find and keep work, even if their activities cannot be billed to Medi-Cal.
 - Felt the project should have had a partner agency skilled in substance abuse treatment, to work with the many *LA's HOPE* clients with co-occurring substance abuse disorders.
 - With the demise of the state AB funding following a 2007 governor's line item veto, DMH attention has shifted away from a focus on follow-up for *LA's HOPE* and toward attending to issues related to the Mental Health Service Act funding.
- AB agency staff

- Still believe that PSH should be used as an incentive, not offered as Housing First;
- Recognize the value of the concrete resources LA's HOPE could pay for, including clothing, tools, training, and transportation, but may still not fully appreciate that the same things would be available to their clients if they *enrolled* at a One-Stop; and
- Are mixed with respect to employment, with some feeling that a greater emphasis on employment would be appropriate for many clients, some feeling that employment may be appropriate for a select few clients, and one AB agency feeling that before *LA's HOPE* it already did everything that *LA's HOPE* did, so there would be no post-project effects.
- All agreed that “those who are most motivated to work” should be the ones picked for a focus of employment-related activities. “If the motivation is there, we can work on reducing the barriers” they said, but it is really hard when the motivation is missing. *LA's HOPE* case managers at Goodwill agreed.
- HACLA staff reported that
 - In addition to the need for clear definitions and streamlines application procedures, Shelter Plus Care rules for what happens when a client works full-time need to be changed to mirror those for Section 8. The Section 8 program disregards substantial amounts of subsidy recipients' income in excess of the eligibility cutoff for one and a half years, giving recipients time to adjust to paying a higher rent. Shelter Plus Care has an “all or nothing” cutoff policy that forces recipients to choose between working less or losing their housing subsidy.

LESSONS LEARNED

Several people contributed insights related to planning and project governance that have much in common with lessons learned from many other demonstration projects.

With respect to increased collaboration and system change, more happened at the agency level (for CDD and DMH) than at the client service level (in the AB agencies and One-Stops). The first several months of the grant period should have been spent in an intensive planning effort. The three AB agencies, six One-Stops, Goodwill, and the steering committee should have taken the time to get to know each other, learn how each agency operated and what it was best at, and think through how they were going to work together and what would need to change to make that joint work most efficient and effective. In the future, funders should build in such planning time if they want their demonstrations to be the best they can be. Issues that these early meetings should have addressed include:

- Developing a viable comprehensive three-tiered governing structure that includes
 - A case conferencing committee of front-line workers from the participating agencies, whose work is to make sure that each client gets what the client needs;

- An operations committee of managers in the participating agencies, who have the authority to make things happen within their own agencies to accommodate needs and remove bottlenecks identified as repeated problems by the case conferencing committee; and
- A steering committee of the decision-makers in the participating agencies, who step in when the operations committee cannot make things happen that need to happen, and who also apply the experiences of the demonstration to long-term agency policies and strategies within their own agencies and across agency lines.

LA's HOPE started out with only the last of these. About one year into the demonstration it sorely felt the lack of the first two and developed the monthly caseworker staffing group to compensate. This group was able to resolve issues for individual clients, but its effectiveness was impaired by the lack of anything that functioned as an operations committee, and by the lack of participation from agency directors on any regular basis. To some extent the steering committee got involved in issues that should have gone to an operations committee, but no single set of people ever clearly had the responsibility as well as the authority to resolve operational issues. Far too many operational issues ended up being appealed to the federal level for resolution rather than having the locally responsible agencies make decisions.

- Developing a streamlined approach (less than one month) for processing Shelter Plus Care applications, while at the same time alerting the *LA's HOPE* people to the fact that it would take at least one month to obtain a Shelter Plus Care certificate.
- Establishing documentation requirements for disability and length of homelessness, the latter to include an affidavit from a service provider “vouching for” the person’s chronic homelessness when written documentation cannot be obtained.
- Recognizing that chronically homeless people will not “stay put” while housing applications are processed, and that many newly enrolled clients will be lost unless arrangements can be made to give them a place to stay while the process unrolls.
- Coming to mutual understandings of what the One-Stops had to offer and what they were good at, but also the preparation of clients if the One-Stops were going to be able to help them—i.e., people needed to be prepared to go to work, and it would be up to the *LA's HOPE* agencies to help them address personal behaviors, attitudes, and legal issues that create barriers to successful employment outcomes.
- Coming to mutual understandings of what the AB agencies already did by way of encouraging employment, and what would have to change if they were going to be successful at promoting a work orientation among *LA's HOPE* clients and helping them prepare for employment.
- Assessing the interest and willingness of the various agencies to develop the needed accommodations—which One-Stops were eager to establish working relationships with mental health agencies and which mental health agencies were interested in developing

their work-promoting capacities and which understood the difference between what their employment specialists were already doing and what was needed for *LA's HOPE*.

- Determining the role of Goodwill and the specialized *LA's HOPE* case managers. Deciding whether they were needed at all, whether in the long run they would help or hinder the development of independent relationships among AB agencies and One-Stops, and perhaps also whether they should have been placed in the AB agencies or the resources for them have been devoted to adding specialized employment preparedness staff to the AB agencies.

From this evaluator's perspective, it is essential to make this early investment in thinking through how a new project will work. The work *will* happen, or else the project will have major difficulties and never reach its full potential. The only issue is whether it happens up front in a deliberate and open way or whether it happens piece by piece after things have already gotten off on the wrong foot. If it happens up front, with everyone feeling their views are being heard and that they are part of creating new structures, relationships in the new project have a much greater chance of beginning amicably and evolving into effective partnerships. If the work happens after problems begin to be felt, it will probably take even longer because it will have to overcome the feelings of misunderstanding, distrust, resentment, and stress that have developed because no one was paying attention in the first place. Some of it may never happen, to the detriment of overall project functioning, as has been the case for *LA's HOPE*.

Federal demonstrations virtually never allow this time or recognize the need for it, and *LA's HOPE* is no exception. Pressures on *LA's HOPE* and other HUD/DOL grantees from the federal level to enroll clients immediately guaranteed that the work to think through collaborative arrangements and processes would not happen. These pressures were just as dysfunctional for the project as a whole as pressures to push employment on clients immediately after housing them may have been inappropriate for the project's clients. With a longer start up time, more time to engage participants, better screening to select clients interested in employment, and more time to establish workable interagency arrangements, *LA's HOPE* would probably have had a higher success rate with clients.

LESSONS LEARNED—SUMMARY

- Give planning the time, attention, and respect it deserves. You will pay the price if you don't.
- Be sure to include in planning people who are fully aware of the challenges posed by the target population and existing agency focuses and constraints, yet who are committed to the ultimate project goals and open-minded as to how they may be accomplished.
- Create a project governing structure that can handle issues at every level, from service delivery for individual clients to changes in agency operating procedures that affect many clients to policy development and long-range planning. Be sure that participants in each level in the governing structure have the authority and interest to make the decisions that will be needed to smooth the way for project functioning.
- If you want people to do specific things that are not what they are doing now, pay them to do the new things. Also train them, and give them plenty of opportunities to discuss how things are going and work out issues as they arise.

- If you want an integrated structure at the end, start with all the players you want to integrate and commit the time and energy to develop a truly integrated functional work structure.

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for Caminar data for *LA's HOPE* participants, other clients of the three *LA's HOPE* mental health programs, and clients of the remaining 16 similar mental health programs in Los Angeles. Monica Davis of the Mental Health Association of Greater Los Angeles, which maintains the statewide Caminar database for the type of mental health program involved with *LA's HOPE*, worked diligently to extract the relevant data. In addition, early in this *LA's HOPE* evaluation Bill Frey and Lynn Elinson of Westat, Inc. shared with me their site visit reports and data collection plans related to Westat's ongoing evaluation of all disability-related projects being supported through the U.S. Department of Labor's Office of Disability Employment Programs, which includes the five HUD/DOL demonstration grants.

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Evaluation of *LA's HOPE*: Ending Chronic Homelessness Through Employment and Housing Final Report

LA's HOPE is one of five federal demonstration projects co-sponsored by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Labor (DOL) and awarded in late 2003 (often referred to as “HUD/DOL projects”). The other HUD/DOL demonstration projects are located in Boston, Massachusetts, Indianapolis, Indiana, San Francisco, California, and Portland, Oregon.

The Los Angeles partners in this demonstration are the Department of Mental Health (DMH—a Los Angeles County agency), the Community Development Department (CDD—a City of Los Angeles agency), and the Housing Authority of the City of Los Angeles (HACLA—a semi-autonomous public housing authority). The demonstration is able to house 76 clients at one time using Shelter Plus Care certificates administered through HACLA. These certificates represent 76 additional permanent supportive housing units that came as part of the federal grant but are renewable during future funding cycles in the same manner as for other Shelter Plus Care grants. *LA's HOPE* had served 147 clients between its first intake in late winter 2003 and May 2007, the final month that could be included in the outcomes data to be analyzed for this evaluation.

Along with its four fellow federal housing and employment demonstration projects, *LA's HOPE* has two types of goals. As a demonstration, *LA's HOPE* has the very concrete goals of housing its clients and helping them get and keep employment. *LA's HOPE* also has the broader goal of creating changed systems of support for people with serious mental illness (SMI) who have been chronically homeless, many of whom also have long-standing problems with substance abuse. The relevant public systems are housing, workforce development, and mental health, represented by the three partner agencies HACLA, CDD, and DMH. The latter two systems in turn have both policy and practice components—the city's Community Development Department and some of its One-Stops (known locally as WorkSource Career Centers), and the county's Department of Mental Health and some of the mental health agencies that have programs funded through the state's “Integrated Services for Homeless Adults with Serious Mental Illness” program, known locally as AB 2034 after the state Assembly Bill that first funded the statewide program or simply as AB, which is how this report refers to these programs.

In fall 2005, CDD hired the Urban Institute to conduct an evaluation of *LA's HOPE*, in compliance with federal requirements. At that time, evaluators conducted interviews with representatives of many parts of the *LA's HOPE* network to establish “baseline” conditions for the process part of the evaluation. At “baseline” the project had already been in operation for almost two years, so we assessed the situation as it existed at the time of the interviews and also gathered people's perceptions and understandings of the startup and early implementation period. A second round of interviews was conducted in summer 2007 to assess the later functioning of *LA's HOPE* and to gauge any potential changes in partner agencies that grew out of the *LA's HOPE* experience. In addition, we analyzed data related to employment and housing outcomes for *LA's HOPE* participants and two comparison groups.

After describing the basic structure of *LA's HOPE*, we discuss the challenges it has faced—challenges posed by the population it is designed to serve, the outcomes toward which the sponsors have aimed the project, the lack of experience working together among the three public agencies involved in the project, and to a lesser extent the rules and regulations of the federal sponsors. Thereafter we report the structure and results of our outcomes analysis, followed by a presentation of our findings with respect to implementing *LA's HOPE* and the continuing processes of development and change that have been an important part of the project's experience. We end with a summary of lessons learned, as described by the many people interviewed for the evaluation.

THE STRUCTURE OF LA'S HOPE

Two of the three public agencies involved in *LA's HOPE* received resources through the project's federal demonstration grant, and each had a specific role to play.

- CDD is the administrative and fiscal entity for the City of Los Angeles's Workforce Investment Board. It oversees the activities of 17 One-Stops located throughout the city, which are operated by nonprofit and for-profit agencies. These One-Stops are typical employment centers of the type promoted by the U.S. Department of Labor. They offer an array of "universal" activities and resources that anyone may use just by signing in, including computerized access to job openings and resume development. They also offer more intensive supports for people who enroll, including job search assistance, training of assorted varieties, payment for job-related tools and clothing, job coaching, and the like. The Los Angeles One-Stops have an excellent track record in serving people with disabilities as well as other jobseekers with multiple barriers to employment. Enhancing their capacity to do so has been the focus of CDD's EmployABILITY Program, which provides technical assistance, partner linkages with the disability community, and a nationally recognized online and live training certification program known as *Legacy* to increase the ability of line staff to serve job seekers with disabilities.. This focus was perceived to be an advantage for the Los Angeles One-Stops as they began their participation in *LA's HOPE*, due to the variety of disabilities the target population was expected to have.
 - o Through *LA's HOPE*, CDD received resources for case management and employment supports for *LA's HOPE* participants—similar to the types of resources and assistance that a person would get when enrolled at a One-Stop, but sufficient to offer *LA's HOPE* participants the significantly greater level of assistance that their history indicated they would need.
- DMH is the mental health agency for Los Angeles County. Among its many other activities, it oversees 19 programs throughout the county supported by state AB funds. AB funding may be used for "whatever it takes" to move homeless adults with serious mental illness into permanent housing and keep them there. The AB program has been

extremely successful in this task, in the process greatly reducing hospitalizations, incarcerations, and of course homelessness among the people it enrolls.⁵

- o Although a full partner in *LA's HOPE*, DMH and its associated agencies did not receive any funding from the *LA's HOPE* demonstration because they were already being paid through state AB funding to deliver mental health services. *LA's HOPE* selected three of the county's AB programs to supply the wraparound mental health, housing, and related services for its participants. These three AB programs were closest geographically to the largest year-round shelters funded by LAHSA; they were also the AB programs with the greatest capacity to enroll new clients through attrition as well as having a good track record of placing clients into employment. DMH leveraged existing AB services for *LA's HOPE* participants. DMH also provided \$40,000 in federal funding from Projects for Assistance in Transitions from Homelessness (PATH) funding⁶ to each of the three AB programs hosting *LA's HOPE* participants, with which they were expected to do outreach in the emergency shelters and streets to recruit participants for *LA's HOPE*.
- HACLA is the public housing authority for the City of Los Angeles, performing all the responsibilities of any public housing authority, including administering Shelter Plus Care certificates providing rental assistance to homeless single adults and families.
 - o Through *LA's HOPE*, HACLA received the resources for 76 Shelter Plus Care certificates to provide rental assistance to *LA's HOPE* participants. The number of certificates was the limiting factor in how many people *LA's HOPE* could house at one time. At any given time, enrollment tended to be slightly higher than the number of certificates in use, as new recruits waited for housing applications to be processed. Due to participant dropout and the time needed to recruit new clients, find acceptable units, and process new Shelter Plus Care applications, there has never been a time when all 76 certificates were in use at once.
 - o *LA's HOPE* achieved the relatively large number of 76 certificates because the HUD resources received with the grant were used mostly for efficiency apartments (66)

⁵ In fall 2007, Governor Schwarzenegger exercised his line item veto power to eliminate the AB program. In this report we retain the present tense when discussing AB programs because they are not scheduled to close until the next fiscal year. However, the anticipated demise of this funding has seriously impacted the way *LA's HOPE* functions going into its fifth year and has had similar effects on mental health services to the homeless community in general. AB funding was the foundation of sustainability for *LA's HOPE*, but with no new enrollments permitted for its last year, *LA's HOPE* will have a difficult time identifying, enrolling, housing, and providing employment related services to new clients. DMH will continue to enroll clients for this project through its Full Service Partnerships. All three AB agencies have DMH Full Service Partnership contracts and DHM has told them to continue to identify and enroll clients who meet the specific requirements of *LA's HOPE* using their Full Service Partnership resources.

⁶ PATH is a program authorized under the McKinney-Vento Homeless Assistance Act (Projects for Assistance in Transitions from Homelessness) whose resources are allocated to state and local mental health agencies through DHHS's Substance Abuse and Mental Health Services Administration. It is targeted specifically toward homeless people with severe and persistent mental illness and is used to fund outreach, engagement, case management, and placement services.

rather than one-bedrooms (10). As the rent for efficiency apartments is lower than that for one-bedrooms, more certificates could be issued for the same amount of money. However, most efficiency units renting for at or below fair market rent were in parts of town that many considered undesirable or dangerous, and were not in neighborhoods where *LA's HOPE* participants wanted to live. Units in other parts of town either did not exist, cost too much, or were not available. The location of some units may have made it more difficult for *LA's HOPE* clients to break links to their previous life on the street, which most likely included ready access to drugs.

RECRUITMENT

Staff at the three *LA's HOPE* AB agencies had responsibility for recruiting participants. To be considered eligible for *LA's HOPE*, people had to meet the following criteria imposed by the federal requirements of the demonstration:

- Chronic homelessness—single adults (i.e., no children present) who (1) are disabled and (2) have been homeless a year or more or have four or more homeless episodes in the last three years, according to HUD's definition.
- Interested in housing.
- Most importantly, they had to be interested in working. While they did not sign an agreement that they would participate in employment, recruitment procedures made it very clear that once housed they would be expected to seek employment.

In addition, the *LA's HOPE* proposal imposed two criteria that federal agencies did not require—that people have a mental illness serious enough to qualify them for DMH services (Axis I diagnosis plus a high degree of functional disability).⁷ This specification was needed because the project planned to use DMH resources to provide supportive services, so participants had to be DMH eligible. The second requirement was that people had to be new to the mental health system, operationally defined as not a DMH client when they enrolled in *LA's HOPE*.

Recruitment occurred through various emergency shelters located relatively close to the *LA's HOPE* AB programs. One of these was the New Image Shelter, the largest cold weather shelter in the County of Los Angeles, which averages 400 men and 100 women nightly. In 2006, CDD added an employment center at the shelter to provide computer access to the One-Stop system's job listings and other employment assistance.

LA's HOPE outreach staff also contacted other homeless service providers who knew people who appeared to meet the demonstration's eligibility criteria. AB agencies, also moved one or two existing clients into *LA's HOPE*, even though this was contrary to program eligibility

⁷ All HUD/DOL demonstrations had to specify a disability on which they would focus—i.e., all clients would be required to have this disability. Four of the five projects specified mental illness; one specified substance abuse. In reality, most demonstration participants had both. A level of disability from these conditions sufficient to qualify a person for the services of a public mental health agency is often significantly higher than that needed to qualify for a Shelter Plus Care certificate—such is the case in Los Angeles.

criteria, due to the great time pressure to get clients on board. A number of issues arose with respect to the recruitment process that we discuss later in this report.

ENROLLMENT—A THREE-STAGE PROCESS

DMH Enrollment

AB programs enrolled people as DMH/AB clients as soon as the people were deemed eligible and agreed to participate in the program. *LA's HOPE* set itself an order of business that called for housing next, followed by employment services—that is, the employment staff would not begin working with a client until the client was housed.⁸ The consequence was that the two primary entities working with clients, DMH and the AB agencies and CDD and employment services staff, have two different “enrollment” dates for all participants—the day that an AB program enrolled them (the earliest was in January 2004), and the day that employment services began (the earliest were in late June and early July 2004, but some preliminary activities began earlier).

Shelter Plus Care Applications and Finding Housing

The second order of business for the AB programs after DMH enrollment was to get people housed. This involved locating a unit and also starting the process of applying for a Shelter Plus Care certificate through HACLA. Finding available efficiency units of adequate quality in acceptable neighborhoods for a rent within HACLA guidelines proved a considerable challenge. The Shelter Plus Care application process was a major bottleneck early in the program. It often took three months or more, with the consequence that many early enrollees disappeared before they ever got into housing. DMH and HACLA eventually worked out a system for streamlining these procedures, but it took the better part of a year for this to happen. Even streamlined, it rarely takes less than a month for people to be able to move into housing, counting from the time they begin to fill out a Shelter Plus Care application.

Starting Employment-Related Activities

Once participants received a Shelter Plus Care certificate, the third “enrollment” process began. *LA's HOPE* developed a tri-partite structure of supports for employment.

1. The project funded case managers at Goodwill Industries, itself a One-Stop. These *LA's HOPE* case managers did the bulk of the work of assessing employment options, working with participants on employment related issues, connecting participants to One-Stops, writing case notes every two weeks to describe client progress, and similar activities. They were expected to serve as liaisons between AB agencies and One-Stops.

Because of the delays in housing, the Goodwill employment case managers began engaging clients before they moved into housing, in an attempt to establish rapport with

⁸ This order was not a HUD/DOL requirement, and at least one HUD/DOL project stabilized people in employment-related activities first and then arranged housing.

both the AB participants and the AB agencies. Goodwill staff also provided employment workshops at some of the AB agencies in an effort to keep employment on the minds of the participants. Many participants were involved in employment activities through these groups or through paid work experience even before they received their housing subsidy. Throughout the project, Goodwill employment staff worked with clients to help them prepare for work and find a job.

2. Each AB program already had someone designated as an employment specialist. These employment specialists took on the additional tasks of supporting *LA's HOPE* participants through their involvement in the AB program. Although these specialists often help employment-related group sessions for AB clients, they began running separate groups for *LA's HOPE* clients. These *LA's HOPE* groups more closely resembled job clubs that offered concrete supports to prepare participants for employment, job search, and post-employment job-related issues, in contrast to the support group style of groups held for other AB clients. Unfortunately, the AB employment specialists also were required to provide case management to other AB clients so they could bill their time to Medi-Cal.

One of DMH's interests in participating in *LA's HOPE* was an anticipated increase in statewide performance standards for the employment rate of AB participants. DMH hoped that the employment aspects of the AB programs would benefit from the *LA's HOPE* connection with the City's Workforce Development System. One possible pattern for such change was that the employment specialists would develop their own relationships with the One-Stops near their AB programs. Such developments were rare and very late in coming, however. Far more common was the pattern of the Goodwill case manager being the link with One-Stops, often picking up participants and taking them to One-Stops, helping them while at One-Stops, and similar activities.

3. The One-Stops themselves were expected to make some accommodations when working with *LA's HOPE* participants. Each CDD One-Stop already had a person designated as a Disability Coordinator—a person to whom a One-Stop customer with a disability could come for assistance in accessing all relevant One-Stop resources, getting connected to an appropriate job counselor, and the like. One of CDD's interests in taking part in *LA's HOPE* was a plan to improve on its already good track record in assisting people with disabilities by acquiring additional expertise in working with people with serious mental illness and developing a similar connection to the Department of Mental Health services for its One-Stop participants.

CHALLENGES

The challenges of meeting *LA's HOPE's* goals were great. Further, these challenges interacted with each other in some complex ways. We begin by laying out the challenges and then discuss their implications for possible system change. After looking at the outcomes data we return to the process issues and discuss the early days of *LA's HOPE* implementation, how it continues to evolve, and the extent to which the three public agencies involved in the demonstration have changed the ways they do business, either internally or with each other.

CHALLENGES ASSOCIATED WITH THE LA'S HOPE TARGET POPULATION

LA's HOPE seeks to serve people with severe and persistent mental illness who meet the criteria of the federal definition of chronic homelessness—they are single adults who have been homeless a year or more, or have had four or more episodes of homelessness within the past three years, and are “new to the system” in the sense of not currently receiving outpatient services in the mental health system (a similar criterion pertains to new AB program clients). An additional reality is that most (80-90 percent) have co-occurring substance abuse disorders involving alcohol, illicit drugs, or both. As people with long histories of street living, they also tend to have significant physical health problems. Most had no work experience in the year before enrolling in LA's HOPE, and probably for several years before that.

Each characteristic of the LA's HOPE population poses its own difficulties for the odds of becoming and remaining employed, or employed at a level that carries one out of poverty and beyond the need for public benefits and subsidies.

- **Severe and persistent mental illness**—people with mental illness can work, and often want to work. Federal demonstrations have shown that integrated clinical and employment services can help them find and keep employment.¹⁻⁷ However,
 - They tend not to be able to sustain full-time work—they are more likely to be able to sustain part-time jobs and sometimes shared jobs. Part-time and shared jobs place less pressure on the individual, and are less likely to cause decompensation or lead to hospitalization, both of which disrupt work and sometimes also housing.
 - People with severe and persistent mental illness in supported employment programs hold their jobs for six months or less, on average. When they achieve longer job tenure, it is often because an employer will hold a job for them while they recover from a period of high symptomatology.
 - One-Stops must meet specific DOL performance standards on DOL performance *measures* to get reimbursed for their work. The measures include an Entered Employment Rate (those who are employed in the first quarter after receiving One-Stop services, as a percentage of all who exited in the previous quarter), an Employment Retention Rate (those who are employed in both the second and third quarters after the exit quarter, as a percentage of all those employed in the first quarter after exit), and an Earnings Change in Six Months Rate (total earnings in the second and third quarters *after* exit minus total earnings in the second and third quarters *before* entry, for all people employed in the first quarter after exit. DOL negotiates a performance *standard* for each of these measures with each Workforce Investment Board (in Los Angeles this is CDD). For adults the Entered Employment Rate tends to be around 70 percent, the Employment Retention Rate about 80 percent, and the Earnings Change in Six Months amount close to \$500 a month *increase*. Performance standards for adults with disabilities are not much lower. It should be easy to see that people with the likely employment participation rates of LA's HOPE clients will not do very well on DOL performance standards, and that One-Stops may be unwilling to take

them as clients for fear they would affect the Center's performance and hence its funding.

- In the context of *LA's HOPE*, it is also vitally important to remember that the people in supported employment demonstrations *were not coming directly from homelessness*, often had never been homeless, had housing, and also usually had significant levels of social support. They thus were starting from a place that *LA's HOPE* clients would have to work hard to achieve *before* they would be good candidates for employment.
- *LA's HOPE* was thus being expected to produce *better* employment outcomes (more rapid employment, full-time and part-time work, sustained work, employment activities such as vocational training, education, volunteerism) with a significantly *more difficult* population than that participating in other supported employment demonstrations.
- Moving into permanent housing is almost impossible for people who have no income, even if they do have a subsidy such as Shelter Plus Care. AB and similar agencies therefore usually help their clients with mental illness qualify for SSI or SSDI benefits, with which they can pay the tenant's share of the rent. SSI/SSDI eligibility also carries with it eligibility for Medi-Cal (SSI) or Medicare (SSDI), which pay for vital health and mental health care. The *LA's HOPE* AB agencies used this strategy and were quite successful at it. However, qualifying for SSI or SSDI means one must prove that one is *unable to work at any job*. Should one subsequently be shown capable of working, there is some risk of losing the cash benefit and its accompanying health insurance. SSI and SSDI rules actually provide a good deal of latitude about part-time work, but the rules are complicated and most beneficiaries are frightened of getting caught in violations. As has happened in many other programs, *LA's HOPE* participants proved hesitant to access employment services because they perceived that working could jeopardize their benefits. While employment staff worked diligently to dispel this myth, using Benefits Planning and Outreach (BPAO) advisors throughout the project, participants with serious mental illness and extensive homelessness experiences were reluctant to participate.
- **Chronic homelessness**—people who have been homeless a long time adapt their behaviors and survival mechanisms to live on the streets or in shelters. They may never have maintained their own housing and therefore probably have few or no skills related to household maintenance. They may have major unresolved health problems. They are likely to be isolated and probably have little or no support system or an inappropriate support system that does not support the goals of employment and maintaining an apartment.
 - In the experience of many “housing first” providers, people coming into housing directly from the streets take some time—sometimes as much as a year, but often several months, to settle into the routine of living in housing.

- The no demand/low demand nature of many Housing First approaches gives people this time, and the support to stabilize.
- Some programs may never push tenants to move toward greater self-sufficiency through work—in fact, one early goal is often to help tenants obtain SSI and Medicaid benefits by proving that the person is incapable of working. Fear of losing these benefits, once obtained, has proved to be the greatest deterrent to employment, next to no desire to work and substance abuse relapse.
- If there is any push toward employment, it comes after tenants have stabilized in housing.
- But once *LA's HOPE* people get housing, they are expected to take immediate action toward obtaining employment. This is a difficult standard to meet, given the population and its needs.
- **Co-occurring substance abuse** – *LA's HOPE* case managers report that 80-90 percent of clients abuse substances in addition to having a serious mental illness. This is very consistent with an 80 to 85 percent rate of co-occurring substance abuse among all Los Angeles County AB participants.
 - Active substance abuse places serious obstacles in the path to employment, including clients' refusal to cooperate with employment efforts, repeated relapses that interfere with participation in work readiness and competitive employment once obtained, and unacceptable performance on the job. A significant employment challenge is employers with a policy of “zero-tolerance” for drugs, and locating employers who do not pre-screen applicants to fill job vacancies.
 - There is a question about appropriate strategy for people with active substance abuse—insisting that the tenant be in recovery before starting employment efforts, or working with a tenant who is still using if he or she appears likely to be able to make some work effort while moving closer to sobriety.
- **New to the system** – the insistence that *LA's HOPE* participants not be receiving outpatient services at the time of enrollment means that staff in all components of the project are working with individuals who need to resolve all of the issues just described all at once, and within days or weeks of leaving the streets. The evaluation has shed some light on whether this is a feasible or useful strategy. The biggest challenge was to identify potential participants who would benefit from the *LA's HOPE* program structure in the limited time that staff had for engaging clients and being able to establish rapport and trust. Delays in being able to house people also led to participant dropout before people could receive either mental health or employment services.

CHALLENGES ASSOCIATED WITH INTEGRATING THE WORK OF THREE PUBLIC AGENCIES

LA's HOPE involves three government agencies—employment, housing, and mental health—without much history of working together in Los Angeles. As one person said, this was a sort of “shotgun marriage.” CDD had of course worked with Goodwill, as Goodwill was one of CDD's

One-Stops. CDD and DMH had never worked together, nor had CDD worked with HACLA. HACLA and DMH had a relationship because hundreds of Shelter Plus Care certificates administered by HACLA were set aside for DMH use, and HACLA and DMH had worked out application procedures suitable to their use (but not to the Housing First approach of *LA's HOPE* or with the requirement of chronic homelessness).

Further, the three agencies are part of three different government systems – one is a city agency, one an independent authority, and one a county agency. Thus there is no single person, such as a mayor, county executive, or council chair, who can say “work together” and make it happen. These initial circumstances posed major challenges just to assuring the smooth functioning of *LA's HOPE* itself, not to mention the prospect of significant system change.

Specific arrangements at the start of the grant that posed significant hurdles later on include:

- AB agency staff were being asked to do something new, but were not being paid anything from the grant to do it. Nor did the grant include any funding for a DMH staff person to function as a coordinator on the DMH side, parallel to and in tandem with the CDD grant coordinator. DMH agreed to this arrangement in the proposal stage, on the grounds that the AB agencies were already compensated for serving this population and the AB clients would benefit directly from the support services provided through this grant. Not until the third year of *LA's HOPE* did the issue of paying for a DMH coordinator for *LA's HOPE* surface in steering committee discussions.
- In that third year, \$7,000 was offered to each AB agency to “offset some of the additional duties the grant required, such as meetings and training.” Only two of the three agencies took advantage of the offer.
- Also, early on, AB agency staff had opportunities to attend conferences that would not have been part of their normal activities, including a conference on supported employment in Indianapolis and a Job Accommodation Network in San Francisco.
- In *LA's HOPE's* fifth and final year, additional resources will be made available to the AB agencies tailored to their stated individual needs.
- The “something new” the AB staff were being asked to do, Housing First plus a serious push on employment, were both philosophically different from agency culture, and by implication quite different from the way that non-*LA's HOPE* AB clients were being treated. AB staff believed that clients should become “housing ready” before being offered permanent housing; they saw, and used, permanent housing placement as a reward for adjusting to being in housing at all and working well with staff in transitional housing. They felt that immediate permanent housing placement left them with no leverage over clients that would move them to participate in other aspects of the program, whether therapy or work. Their other clients were going through these steps, and some reacted negatively to seeing chronically homeless street people move directly into permanent housing. Two of the agencies elected to hold separate employment groups for the *LA's HOPE* clients because the “special perks” those clients received were not available to other AB clients.

- HACLA made the housing part of the “something new” hard to do. DMH may have had a pre-existing relationship with HACLA, but the AB agencies did not. HACLA procedures presented many barriers. Requirements for documenting disability and length of homelessness were quite burdensome, and for a long time the exact requirements for length of homelessness were not settled (the Los Angeles HUD office would not make decisions about what qualified as documentation and the HUD central office took months to respond). In addition, documentation had to be renewed at frequent intervals until an applicant found housing. HACLA also had a practice of having its certificates expire 60 days after issuance, with extensions possible in 30 day increments up to 120 days. In some instances for *LA's HOPE* clients, this meant the certificates expired before the participant could find, negotiate for, obtain inspections for, and move into a housing unit. If the 120-day timetable could not be met, the whole process had to begin again, providing the client did not qualify for any accommodations due to a disability.

Further, in the beginning, HACLA interpreted “chronic homeless status” to mean as of the anticipated move-in date. As explained below, recruits into *LA's HOPE* were for the most part street dwellers, using overnight shelters occasionally but by no means regularly. There was no guarantee that the AB outreach staff could find a person after a first contact at a shelter or on the street, even if that contact resulted in enrollment. Without moving enrollees to some type of temporary shelter such as a motel room, many enrollees were lost in the early days of the program. After months of trying to get HUD to provide a more feasible interpretation for HACLA to use, DMH ended up simply recording homeless status as of the day of *LA's HOPE* enrollment and submitting that to HACLA to document eligibility, even when enrollees were in fact moved to temporary accommodations while their housing subsidies were being processed and a housing unit located.⁹

- DOL did not alter any of its performance standards in any way (e.g., what counts as employment, number of hours of employment expected, job tenure/duration expected, salary expected), despite the obvious and long-known probabilities that people with the types of disability prevalent among the target population made it extremely unlikely that they could meet these standards.
- The CDD staff in charge of this demonstration had no prior experience working with chronically homeless people with several disabilities, with DMH, with HACLA, or with HUD. They had not done this type of multi-agency demonstration before. They were enthusiastic but perhaps overly ambitious, and not sufficiently appreciative of the amount of groundwork that needed to be laid with their new partners if the partnership was going to function smoothly. Nor did they have access to the advice of people who had tried to mount these types of demonstrations before, or at least they did not have it at the

⁹ In some other HUD/DOL demonstration sites, the housing authority and regional HUD office accepted temporary shelter arrangements as still complying with the intent of the demonstration. HUD, and therefore HACLA, eventually adopted this same strategy. Another issue resolved by common consent in some demonstration sites was allowing persons knowledgeable about a person's length of homelessness to submit a written affidavit attesting that the person met the criteria for chronic homelessness when other forms of documentation could not be found.

beginning, when they needed it. Even after DOL began sponsoring yearly national meetings for demonstration project staff, the meetings did not always focus on the ways to develop and sustain key interagency relationships, and even when they did, they came too late.

Many of these barriers and difficulties reflect the funders' imposition of abstract concepts on a population that they in all likelihood did not understand well, and for whom they certainly did not appreciate the challenges facing anyone attempting to meet demonstration objectives. There has, nevertheless, been some movement and evolution of relationships among the public agencies, as we describe later in this report. And, unlike many federal grants, the funders of *LA's HOPE* did allow five years for the demonstration project rather than three years, or than requiring a whole new set of participants yearly.

THE BOTTOM LINE: HOUSING AND EMPLOYMENT OUTCOMES

LA's HOPE has the very concrete goals of housing its clients and helping them move into paid work, preferably into competitive employment. To this end DMH supplies mental health care and case management, CDD supplies employment specialists through Goodwill and the active involvement of One-Stops, and HACLA processes Shelter Plus Care certificates made available through the federal grant. We use data from the Caminar system used to record all AB program outcomes statewide to assess outcomes for *LA's HOPE* participants.

COMPARISON GROUP DESIGN USING AB CAMINAR DATA

Happily for the evaluation, *LA's HOPE* was been set up to run through three of the county's AB programs—San Fernando Valley Community Mental Health Center, Inc. (SFV), Portals (two separate site locations and staff), and South Central Health and Rehabilitation Program (SCHARP). All *LA's HOPE* clients are enrolled in AB at one of these three programs. Of inestimable value for this evaluation, *all 19 AB programs in the county use the same Caminar data system*. AB programs use Caminar to record pre-enrollment, enrollment, and post-enrollment information about all AB clients, including those who are also in *LA's HOPE*. It includes a marker designating which clients are in *LA's HOPE* and which are not.

This embeddedness of *LA's HOPE* in the AB system provides the opportunity to assess housing and employment outcomes for demonstration clients and compare these outcomes to those of two other sets of AB clients. The three groups being compared in this outcomes assessment are:

1. *LA's HOPE* participants (group 1, which we sometimes also call the “treatment” group);
2. Those enrolled in SFV, Portals, and SCHARP but not in *LA's HOPE*, who may experience some spillover effects from the employment-related activities going on in their AB agency (group 2, which we sometimes also call the “Affiliated” comparison group); and
3. Those in the remaining 16 AB programs in the county, for whom no spillover effects could be anticipated (group 3, which we sometimes also call the “Other” comparison group).

Members of all three groups have a mental illness serious enough to qualify them for county mental health services—usually an Axis 1 diagnosis of schizophrenia or affective disorder. Members of all three groups were homeless at enrollment or at extremely high risk of homelessness,¹⁰ although not all were chronically homeless. In this respect *LA's HOPE* participants should be more likely to have a *harder* time reaching program outcomes than members of the other two groups, as their homelessness is of longer duration. Members of all three groups are about equally likely to have co-occurring substance abuse. Finally, for groups 2 and 3 we selected only AB participants who had enrolled in the same time period during which people could have enrolled in *LA's HOPE*. Members of the three groups thus begin as close to equivalent on major dimensions as one could hope, considering that random assignment was not an option.

Expected Differences in Outcomes and Rationale for Expectations

We expect *LA's HOPE* clients to become housed and to enter employment more rapidly than clients in the two comparison groups. We hypothesize these differences based on the intent of the *LA's HOPE* program and the different ways it treats its clients compared to AB clients in the other two groups. If any differences exist between the two comparison groups on housing and employment outcomes, we expect them to be in favor of group 2—the non-*LA's HOPE* clients at the three *LA's HOPE* AB programs. We hold this expectation because AB clients other than those participating in *LA's HOPE* might also benefit from the expansion and upgrading of employment services in the three *LA's HOPE* agencies. We know this has already happened in one or two instances, where a regular AB client has been referred to a One-Stop and obtained a job through it.

Our expectation that *LA's HOPE* participants will have significantly better housing and employment outcomes rests on the fact that *LA's HOPE* clients receive services that differ from those received by other AB clients in two crucial ways. First, *LA's HOPE* clients receive permanent housing immediately (or as immediately as it can be arranged), thanks to the program's access to Shelter Plus Care certificates through HACLA and DMH. Second, *LA's HOPE* clients receive extensive encouragement and support to go to work.

- **Housing.** Every *LA's HOPE* participant receives a Shelter Plus Care certificate that assures him or her of an affordable efficiency apartment (and a few one-bedrooms) very shortly after enrollment, which usually has been before employment services begin. This is quite different from the usual experience of AB clients, most of whom go through a period in temporary or transitional housing settings before being able to move to a permanent unit of their own. The *LA's HOPE* program design is based on the expectation that assuring permanent housing early on is the best way to put a stable floor under participants' feet and give them a secure base from which to work on gaining employment. The alternative assumption, voiced by many staff of AB programs, is that giving people permanent housing immediately eliminates any motivation to work toward employment readiness. Few regular AB clients immediately receive permanent

¹⁰ For instance, leaving jail or hospital with no place to live, having been homeless before incarceration or hospitalization.

supportive housing, although most are assisted to move into some type of nonshelter setting fairly quickly (e.g., transitional housing, hotel or motel rooms, or temporary apartments).

- ***Significantly stronger push for employment***, sooner, and with many more resources available. We first describe what the typical AB program offers by way of assistance with employment, and then describe the additional and augmented aspects of the *LA's HOPE* intervention.
 - o Typical AB program offerings related to employment
 - Employment specialist. Most AB programs have someone designated as an employment specialist. Employment-related activities typically are not that person's only duties. Employment specialists typically provide help with resume writing and interviewing skills; and practice on life skills such as timeliness, proper grooming, and attitude. They do not, however, have the relations with employers that can help people get jobs, labor market information about available jobs, internet-based employment search capabilities, or job supports such as clothing, tools, transportation, or access to training opportunities that are available through the One-Stops.
 - Before *LA's HOPE*, none of the three AB employment specialists used the One-Stops, either for their own information or to bring clients there. Yet the One-Stops are the major route to employers, being far more connected with employment opportunities than the AB employment specialists. Even now, after four years of *LA's HOPE*, it is still not common practice for an AB employment specialist to take a client to a One-Stop.
 - A few AB programs have cooperative agreements with the Department of Rehabilitation (DOR) to provide employment services. An important issue with DOR is that it only follows the clients for 90 days and, if still employed at 90 days, DOR considers that a "positive" placement even though the client may relapse on the 91st day. One-Stops are required to provide follow-up service to the client for at least nine months (three quarters, or 270 days) following employment, which means that a support mechanism exists for a much longer period of time. Because *LA's HOPE* client outcomes must be tracked for longer than normally happens at One-Stops, it benefits One-Stops to stay connected to the AB agencies to co-case manage the clients.
 - AB agencies have traditionally considered it one of their highest priorities to help clients become SSI/SSDI beneficiaries, and they are very successful at doing so. Increased benefit receipt has been an outcome criterion for AB from the program's inception, and is thought of in the context of increasing client resources and thereby their ability to retain housing and avoid homelessness. Receipt of SSI/SSDI allows AB clients to pay for housing, or to pay the tenant portion of a housing subsidy if they are lucky enough to get one. But being an SSI/SSDI beneficiary has one enormous drawback from the perspective of *LA's HOPE*—to

qualify for SSI/SSDI, one must prove that one is completely *unable* to work. One of the first issues for the *LA's HOPE* employment team was the attitude of AB staff that employment could jeopardize participants' ability to qualify for SSI/SSDI and they should not even consider employment until they began receiving their benefits. In some cases this took four to six months. Thereafter, clients believed they could not work and still retain their SSI/SSDI benefits, and were unwilling to take a chance on losing them. Early in the history of *LA's HOPE*, AB case managers did not discuss with clients the possibility that one could receive these benefits and still work—another instance of different agency cultures and the challenges of merging them to forge an effective *LA's HOPE* program.

- o *LA's HOPE* offerings related to employment
 - **Employment case managers at Goodwill Industries.** In the beginning, one employment case manager was assigned to each of the three AB programs (case management ratio of 25 to 1). These employment case managers have:
 - Met initially with *LA's HOPE* clients for discovery and to develop an Individual Employment Plan
 - Met regularly with *LA's HOPE* clients to discuss employment options
 - Cooperated with the AB employment specialists to help develop individual plans to lead toward employment
 - Co-facilitated job clubs at two of the AB programs.
 - Attended disposition meetings at one of the AB programs while meeting with individual case managers at the other two.
 - Made appointments with and assisted *LA's HOPE* clients with travel to see employment counselors at One-Stops.
 - Worked with the Disability Coordinator, employment counselors, and business service representatives at One-Stops to assure that *LA's HOPE* clients got through needed paperwork and procedures and proceeded to the activities leading to a job. The Goodwill case managers provided initial discovery, relevant case notes, the client's resume, and the start of the Individual Employment Plan to the One-Stops and met with One-Stop staff to discuss the clients prior to bringing the client to the center.
 - Met monthly with AB and One-Stop staff as a multi-agency team, to address issues that may be preventing *LA's HOPE* participants from getting a job and help them move forward. DMH developed a monthly report from AB agencies, with the goal of increasing co-case management, but never implemented it.

- Participated in developing an employment preparedness curriculum with the grantor's technical assistance team that AB employment specialists would deliver, thereby increasing a structured work-oriented curriculum received by *LA's HOPE* clients from employment specialists at the AB program itself and eventually institutionalized in the agencies for all AB clients. This curriculum was structured to be appropriate for either group or individual use, depending on participant need. Curriculum development and employment specialist training work continues into the demonstration's fifth year.
- Through demonstration grant funding, Goodwill staff worked with the AB employment specialists to develop paid work experience, educational advancement, vocation training, and volunteer opportunities for clients as work readiness activities. Paid work experience was identified within the AB agencies, at Goodwill Industries Southern California or, in some cases, with employers. The work experience components developed for *LA's HOPE* have specific skill attainment outcomes.
- The *LA's HOPE* work activities developed within the AB programs differed considerably from the work opportunities that already existed in AB programs, which tended to be paying clients a stipend for just "putting in time." Participants in *LA's HOPE* work experience activities were required to "interview" for the positions, and work expectations were discussed. These work experience positions gave participants the opportunity to practice interviewing and to learn about the expectations of "the employer." If clients did not meet the expectations for the job or acquire the designated skills they received counseling or the assistance of job coaches. They were terminated if they were habitually late or showed lack of commitment, as they would be on any job. These activities increased the array of employment opportunities for participants and also helped define the types of employment participants might want to pursue.
- In the fourth year, Goodwill staff participated in the interview process for new *LA's HOPE* candidates to determine if that participant was a good match for the program.
- **One-Stops.** Six One-Stops (two in close geographic proximity to each of the three AB programs with *LA's HOPE* clients) were specially designated to develop their ability to serve formerly homeless people with serious mental illness who are interested in working. A seventh One-Stop, in Hollywood, came on board later in the demonstration when it opened a second employment portal for computer access to One-Stop data files. Ongoing meetings under the *LA's HOPE* aegis have helped the Disability Coordinators and employment counselors at these One-Stops to make the Centers more welcoming and develop ways to assist *LA's HOPE* clients through the job-seeking process. The *LA's HOPE* employment case managers at Goodwill Industries have been an integral part of this process. In addition, One-Stop staff have participated in mental health trainings. The

City's Legacy program has been shared with the AB agencies, and other One-Stop workforce development trainings have been made available.

- The leadership of *LA's HOPE* in CDD, together with the leadership of DMH's ASOC Bureau, have guided the efforts to increase work-related staff competence and work-related activities for *LA's HOPE* clients through monthly meetings that address both the system issues and client-specific issues that may be blocking further progress. Other AB programs are not participating in these facilitation efforts, so their clients are unlikely to benefit from them. DMH has made efforts to educate DMH contractors regarding the benefits of partnering with the Workforce Development System for employment opportunities.

All in all, the employment-related interventions of the *LA's HOPE* demonstration comprise a significantly greater focus on promoting and sustaining employment than is true for the typical AB program. Coupled with assured permanent housing, the entire demonstration package is quite different from what is available to a typical AB client.

| | <i>LA's HOPE</i> | "Affiliated" AB clients at SFVCMHC, Portals, and SCHARP | "Other" AB clients at the 15 Los Angeles County AB programs not in <i>LA's HOPE</i> |
|---------------------------|---|---|---|
| Intervention: | | | |
| Housing | Immediate access to permanent housing, using Shelter Plus Care certificates | Goal is permanent housing, but most stay in temporary or transitional settings for a while | Same as for other AB clients at SFVCMHC, Portals, and SCHARP |
| Employment | AB employment specialist | Same as <i>LA's HOPE</i> | Same as <i>LA's HOPE</i> |
| | Goodwill employment case managers | Possible spillover to other AB clients because the AB employment specialist is being exposed to new techniques, linkages, and opportunities | No spillover likely |
| | Links with specific One-Stop One-Stops | | |
| | System change efforts | | |
| Expected Outcomes: | | | |
| Permanent housing | Fastest | Slower | Same as other AB clients at SFVCMHC, Portals, and SCHARP |
| Employment | Fastest and most | Slower, but some spillover | Slowest and least |
| Subjects | 147 clients enrolled in <i>LA's HOPE</i> since the beginning of enrollment (March 2004) | Other AB clients who enrolled during the same period as <i>LA's HOPE</i> was enrolling participants | Same as for other AB clients at SFVCMHC, Portals, and SCHARP |

Table 1 summarizes this design and our expectations for client outcomes. It shows one column for each group—the treatment group, *LA's HOPE*, and the two comparison groups (other AB

clients at the same programs, and AB clients at other Los Angeles County programs). The rows show the differences in the interventions each group receives and whose impacts we will assess. That is, the intervention rows show why each group is included in the evaluation design. The next rows of the table show the differences among groups that we expect, given the different interventions. The final row shows the subjects we will be including from each group.

Getting the Caminar Data

Working together, Urban Institute evaluation staff and DMH staff submitted a request to conduct this research to DMH's Human Subjects Board and received its approval in August 2006 to use these DMH data to evaluate *LA's HOPE*. The Urban Institute's Institutional Review Board also examined and approved the protections for human subjects that we used with these data. A request for the appropriate Caminar data was made to the Mental Health Association of Greater Los Angeles, which maintains the Caminar database for the entire state. A number of delays ensued, as well as problems with the first database received. DMH ultimately received a usable database, stripped it of identifiers, and conveyed it to the evaluators in May 2007.

Problems with the Caminar data. For a variety of reasons, the Caminar data do not contain as many *LA's HOPE* participants as expected. *LA's HOPE* has enrolled 147 people from the time it first began enrolling clients through late spring 2007. Through a misunderstanding of the evaluator's of the date the first participant was enrolled, the evaluator asked for Caminar data on everyone in the treatment and two comparison groups whose enrollment date was July 1, 2004 or later (i.e., the effective start date of enrollment in *employment services*). Enrollment in the DMH sense actually began in earnest in March 2004 and a few people were enrolled as early as December 2003.¹¹ Half of all *LA's HOPE* enrollees (74) were actually enrolled before July 1, 2004, and half (73) after. Many early participants were lost, however, due largely to the delays in getting the housing component of the program operational and the fact that people staying in emergency shelters and on the streets are highly transient and tended to disappear despite valiant efforts to maintain contact. Even so, the Caminar data request should have produced a sample of 73 *LA's HOPE* clients but we actually have data on only 56. We have been unable to determine why we received 17 fewer records than we should have, given the difficulties of accessing the Caminar data maintained by MHA. But we do know that exactly the same criteria were used to select the members of the treatment and two comparison groups and extract their data. We also know that there are few significant differences between the *LA's HOPE* participants for whom we *do* have data and those whose data we do not have.¹² We have therefore proceeded to analyze the data according to our three-group design, based on the premise that the three groups

¹¹ The evaluator should have verified the date when DMH enrollment began, but did not become aware of the difference between DMH and employment enrollment for almost a year after the data request was made to MHA for the Caminar data, and then only because the Caminar numbers were so low. Even the DMH staff who worked on the human subjects submission and the MHA data request did not catch the error until it was too late to revise the MHA request.

¹² No significant differences were found for pre- and post-enrollment levels of homelessness, incarceration, hospitalization, and employment. The only variables for which differences exist are those pertaining to enrollment itself. The *LA's HOPE* clients for whom we *did* receive Caminar data were later enrollees, had been enrolled for less time, and were less likely to have disenrolled than those for whom we do *not* have data.

are comparable in the characteristics of the people they include and exclude, even if they do not include everyone we would have expected.

RESULTS: THREE-GROUP COMPARISON USING CAMINAR DATA—PRE-ENROLLMENT CIRCUMSTANCES

We first present some information describing the three groups on demographic characteristics, and then examine several factors of their pre-AB experience that might influence the ability of participants to reach housing and employment outcomes. Table 1 shows the proportion of each group by gender, race/ethnicity, age, psychiatric diagnosis, and co-occurring substance abuse disorder. The three groups do not differ in their gender or age composition. They do differ by race/ethnicity. *LA's HOPE* and Affiliated participants are more likely to be African-American than Other participants, Other participants are most likely to be Hispanic, and Affiliated participants are least likely to be white.

The three groups also differ in the psychiatric diagnoses of their participants. *LA's HOPE* participants are more likely to have diagnoses of major depression and less likely to have “other” psychiatric diagnoses than the other two groups, and the Other comparison group has the highest proportion of people with diagnoses of schizophrenia. Finally, a higher proportion of *LA's HOPE* participants have a co-occurring substance abuse disorder, although the difference does not quite reach statistical significance.

| | <i>LA's HOPE</i> (n=56) | “Affiliated” comparison group (n=199) | “Other” comparison group (n=415) | Chi ² | p < |
|--|----------------------------|---|--|------------------|------|
| Gender - % male | 46 | 55 | 61 | 5.30 | n.s. |
| Race - % African-American | 57 | 66 | 40 | 28.68 | .000 |
| Race - % white | 30 | 19 | 35 | 17.23 | .000 |
| Ethnicity - % Hispanic | 5 | 12 | 19 | 11.04 | .004 |
| Age | | | | | |
| 18–24 | 2 | 5 | 5 | | |
| 25–45 | 41 | 45 | 51 | 11.51 | n.s. |
| 46–59 | 50 | 42 | 39 | | |
| 60+ | 7 | 9 | 6 | | |
| Diagnosis | | | | | |
| Schizophrenia | 27 | 21 | 32 | | |
| Major depression | 41 | 34 | 26 | 15.70 | .015 |
| Bipolar | 21 | 19 | 19 | | |
| Other | 11 | 26 | 24 | | |
| Co-occurring substance abuse disorder - % yes | 63 | 46 | 52 | 4.82 | .090 |
| <i>Note:</i> n's differ slightly for each analysis, due to missing data. | | | | | |

It is also important to note characteristics and experiences that participants in the three groups reported for the 12 months *before* they enrolled in AB, or their circumstances at the time of enrollment, that reflect housing and employment experiences and might possibly predispose participants in one group versus those in another to do better or worse on housing and employment outcomes. The Caminar data system collected information on homelessness, incarceration, hospitalizations, and employment in the 12 months before someone enrolls in AB, and residential, income, and insurance status at time of enrollment.

Table 3
Characteristics at Enrollment with Potential to Influence Housing and Employment Outcomes: LA's HOPE and Two Comparison Groups
 (percentages)

| | LA's HOPE (n=56) | "Affiliated" comparison group (n=199) | "Other" comparison group (n=415) | Chi ² | P < |
|--|---------------------|--|-------------------------------------|------------------|------|
| In the 12 months before enrollment: | | | | | |
| Any full-time employment | 4 | 5 | 3 | 0.75 | n.s. |
| Any part-time employment | 2 | 2 | 3 | 2.28 | n.s. |
| No employment at all | 95 | 93 | 93 | 0.32 | n.s. |
| Income sources at enrollment - percent with: | | | | | |
| Employment | 5 | 0 | 0 | 33.04 | .000 |
| Disability | 32 | 12 | 8 | 30.47 | .000 |
| General relief | 18 | 8 | 7 | 6.92 | .031 |
| Had insurance at enrollment | 32 | 33 | 33 | 0.03 | n.s. |
| Residence recorded at enrollment: | | | | | |
| Street or shelter | 89 | 66 | 47 | 107.53 | .000 |
| Jail | 2 | 9 | 24 | | |
| Other | 9 | 25 | 29 | | |
| In the 12 months before enrollment: | | | | | |
| Average days homeless | 272 ^{B, C} | 164 ^{A, C} | 123 ^{A, B} | N/A | N/A |
| Average days incarcerated | 30 ^{B, C} | 80 ^A | 74 ^A | | |
| Average days hospitalized | 3 | 3 ^C | 12 ^B | | |
| <i>Note:</i> n's differ slightly for each analysis, due to missing data. | | | | | |
| <i>Explanation of superscripts:</i> | | | | | |
| A = Significantly different from LA's HOPE at the 95% confidence level | | | | | |
| B = Significantly different from "Affiliated" Comparison Group at the 95% confidence level | | | | | |
| C = Significantly different from "Other" Comparison Group at the 95% confidence level | | | | | |

Table 3 displays the results of analysis for these factors. The table's first two rows show results related to pre-enrollment employment and income sources. Work experience in the 12 months before enrollment is the factor most directly relevant to the most important outcome for LA's HOPE—employment. As can be seen in table 3, all three groups were essentially the same on employment variables, not differing in the proportion that had any full-time or part-time employment or in the proportion that had no employment at all. The lack of income from employment at time of enrollment reflects the very low levels of employment in any group,

although the fact that a few *LA's HOPE* participants were working at enrollment makes that group significantly different from the two comparison groups, in which no one had a job at enrollment. *LA's HOPE* participants were also significantly more likely than people in the two comparison groups to have income from either disability (usually SSI) or General Relief at the time they enrolled in *LA's HOPE*. For *LA's HOPE* participants, the same proportion that had income from disability benefits had health insurance at enrollment. One-third of the two comparison groups also had insurance at enrollment, so the three groups did not differ in their possession of this important resource.

Considerably more dramatic are differences in how participants spent the 12 months before enrolling in AB. *LA's HOPE* participants spent an average of 272 days homeless—three-quarters of the year—while members of the two comparison groups spent 164 days and 123 days of their pre-enrollment year homeless, respectively. But members of the two comparison groups spent more than twice as much time incarcerated as did *LA's HOPE* participants. This follows the general practice of AB programs in Los Angeles County, which are set up to receive people with serious mental illness who are leaving jail without a place to live and who have a history of homelessness, rather than recruiting directly from shelters or the streets as *LA's HOPE* did. Differences still exist, however, even if we combine days homeless and days incarcerated—in the 12 months before enrollment, *LA's HOPE* people spent 302 days either homeless or incarcerated, compared to 244 days for people in the Affiliated comparison group and 197 days for people in the Other comparison group. A bit later we report whether these differences in pre-enrollment experience make a difference to client outcomes of housing and employment.

RESULTS: THREE-GROUP COMPARISON USING CAMINAR DATA—BASIC POST-ENROLLMENT OUTCOMES

LA's HOPE has two primary goals—to increase employment among its participants and to house them and help them retain housing. A related goal is to increase participant income. Results of data analysis show that *LA's HOPE* has achieved all of these goals. Before proceeding to analyze the factors that affect post-enrollment outcomes, we want first to present those outcomes in their most basic form. Table 4 gives the results.

Employment Outcomes

Eighty-four percent of *LA's HOPE* clients have participated in employment-related activities at some time during the demonstration period, including school, work experience, volunteerism, vocational training, competitive employment, and self-employment. This is a very high rate of involvement for any group of people with the characteristics of *LA's HOPE* participants.

The first three rows of table 4 look at these achievements in comparison to other AB clients. The basic result is that *LA's HOPE* participants worked significantly more than participants in either comparison group, whether one examines *any* employment (first row), average days working (second row), or proportion of enrolled time that the participant worked. *LA's HOPE* participants were more likely to have worked in a full-time job, in a part-time job, and in competitive employment, and far less likely to have had no employment at all while in the program. In most cases the *LA's HOPE* participants are about twice as likely to have worked as people in either comparison group—increasing to about three times as likely on some measures.

| | LA's HOPE (n=56) | "Affiliated" comparison group (n=199) | "Other" comparison group (n=415) | Chi ² | p < |
|---|---------------------|--|---|------------------|------|
| In the time since enrollment: | | | | | |
| Any full-time employment | 21 | 8 | 8 | 16.08 | .000 |
| Any part-time employment | 48 | 14 | 19 | 33.73 | .000 |
| Any competitive employment | 27 | 11 | 13 | 9.18 | .010 |
| No employment at all | 43 | 79 | 76 | 35.83 | .000 |
| In the time since enrollment: | | | | | |
| Average days working full-time | 30 ^C | 14 | 8 ^A | N/A | N/A |
| Average days working part-time | 105 ^{B, C} | 26 ^A | 29 ^A | | |
| Average days in competitive Employment | 58 ^{B, C} | 24 ^A | 21 ^A | | |
| Average proportion of time since enrollment spent in: | | | | N/A | N/A |
| Full-time work | 8 ^C | 4 | 2 ^A | | |
| Part-time work | 28 ^{B, C} | 7 ^A | 8 ^A | | |
| Competitive employment: | 16 ^{B, C} | 7 ^A | 6 ^A | | |
| Current income sources, percent with: | | | | | |
| Employment | 43 | 0 | 0 | 272.92 | .000 |
| Disability | 57 | 18 | 20 | 54.75 | .000 |
| General relief | 27 | 11 | 13 | 9.91 | .007 |
| Currently has insurance - % yes: | 32 | 33 | 33 | 0.03 | n.s. |
| In the time since enrollment: | | | | | |
| Ever in PSH | 50 | 16 | 2 | 132.44 | .000 |
| Ever homeless | 91 | 69 | 53 | 38.14 | .000 |
| Ever incarcerated | 9 | 19 | 21 | 4.68 | .096 |
| Ever hospitalized | 13 | 7 | 14 | 6.92 | .031 |
| In the time since enrollment: | | | | | |
| Average days in PSH | 98 ^{B, C} | 2 ^{A, C} | 28 ^{A, B} | N/A | N/A |
| Average days homeless | 210 | 144 | 192 | | |
| Average days incarcerated | 7 ^B | 37 ^A | 27 | | |
| Average days hospitalized | 1 | 18 ^C | 8 ^B | | |
| Average proportion of time since enrollment spent: | | | | | |
| In PSH | 27 ^{B, C} | 8 ^{A, C} | 1 ^{A, B} | N/A | N/A |
| Homeless | 58 | 39 | 53 | | |
| Incarcerated | 2 ^B | 10 ^A | 7 | | |
| Hospitalized | 0 | 5 ^C | 2 ^B | | |
| <p>Note: n's differ slightly for each analysis, due to missing data. PSH = permanent supportive housing. Explanation of superscripts: A = Significantly different from LA's HOPE at the 95% confidence level B = Significantly different from "Affiliated" Comparison Group at the 95% confidence level C = Significantly different from "Other" Comparison Group at the 95% confidence level</p> | | | | | |

The second and third rows of table 4 reveal that LA's HOPE participants worked significantly more days and spent a higher proportion of their time since enrollment working than members of the comparison groups, much of it in part-time work. It is important to note that at least half of

the days worked by LA's HOPE participants were in jobs in the sphere of competitive employment, not sheltered or transitional jobs at the AB programs or elsewhere. Thus LA's HOPE appears to have been successful at one of its two primary goals—increasing employment among formerly chronically homeless disabled single adults.

Income and Insurance Outcomes

Participants in LA's HOPE appear to be significantly more likely than members of either comparison group to have income from disability payments, general relief, and employment. Further, the proportion with income from these sources has increased substantially compared to income sources at time of enrollment. It is possible, however, that case managers for LA's HOPE participants were simply more diligent in recording information about income because it was one of the primary focuses of the demonstration. For instance, while comparison group members were less likely to work than were LA's HOPE clients, 20 to 25 percent of them *were* involved in some employment following enrollment, as shown in the first three rows of table 4. Yet no comparison group member is reported to have any employment-related income post enrollment. The two facts seem contradictory. If comparison group members really did have income from employment but it was never recorded in Caminar, then the significant differences observed in sources of income may not actually exist, or may be less dramatic than they appear in table 4.

With respect to health insurance coverage, equal proportions of LA's HOPE and comparison group participants had health insurance at program enrollment (about one-third). The same proportion in each group had health insurance at the time that data were collected for this evaluation. The Caminar data seem to indicate that none of the programs appear to have increased their clients' coverage under Medi-Cal, Medicare, or any other health insurance program. Yet receipt of disability income increased substantially for LA's HOPE participants and somewhat for comparison group members, which *ought* to have entailed increased receipt of Medi-Cal.

Housing and Homelessness Outcomes

LA's HOPE was able to place 69 percent of its enrollees in PSH, of whom 56 percent were still in housing at the time of outcome data collection. Housing outcomes for LA's HOPE participants and members of the two comparison groups are shown in the last three rows of table 4. The housing status representing a primary goal of LA's HOPE is permanent supportive housing (PSH). We can see that for the clients in the Caminar extract used for this analysis, 50 percent of LA's HOPE clients had lived in PSH since enrollment, compared to far fewer comparison group members, spending on average 98 days in PSH¹³ compared to far fewer days for comparison group members. They had also spent a greater proportion of their time since enrollment in PSH. However, it is also true that LA's HOPE participants were more likely than members of comparison groups to have been homeless since enrollment, although there were no significant

¹³ Caminar housing categories included in our definition of PSH are types 19-22, in all of which the tenant has a lease and supportive services are provided to help retain housing.

In table 5, we consider four employment measures—ever employed since enrollment, ever competitively employed since enrollment, the number of days that elapsed post-enrollment before starting one's first paid employment (if ever), and the average days in competitive employment since enrollment. The first two are treated as yes/no variables and logistical regression is used to assess the impact of treatment group and client characteristics. The third employment measure is analyzed using a proportional hazard model, which shows the likelihood of the event (in this case employment) happening on any given day if one is in the included category (e.g., bipolar) rather than in the reference category (e.g., schizophrenic). Another way to think about results from this model is that it shows how many more or fewer days it will take for the event to happen if one is in the included rather than the reference category. Finally, the last model uses ordinary least squares regression to assess the effects of independent variables on the average number of days a person spent in competitive employment.

The only consistent finding across all four employment variables is that participants in *LA's HOPE* have better employment outcomes than members of either comparison group. For instance, model 1 shows that members of the Affiliated comparison group are almost six times *less* likely than *LA's HOPE* clients to have ever been employed since enrollment (odds ratio of .172).¹⁴ The same is true for members of the Other comparison group. For competitive employment (model 2), members of the two comparison groups are about four times *less* likely than *LA's HOPE* participants to have been employed in a competitive job since enrollment. Further, comparison group members who *do* work take 4.6 to 6.7 times longer to get jobs than *LA's HOPE* clients (model 3), and are employed about 38 to 43 fewer days (model 4).

No client characteristic *consistently* affects all of the employment outcomes, although occasionally a client characteristic affects a single outcome. For instance, having a co-occurring substance abuse disorder reduces by half the odds that a person will have worked in a competitive job, over and above the effects of which program the person attends (model 2). Model 2 also indicates that being older slightly decreases the odds of competitive employment. With respect to diagnosis, in model 2 people with a diagnosis of major depression have higher odds of being competitively employed than people with a schizophrenia diagnosis, and in model 3 people with a bipolar diagnosis have higher odds of getting into a job quickly than do people with schizophrenia. But these effects are small and inconsistent when compared to the effects of whether one is in *LA's HOPE* or one of the comparison groups.

¹⁴ In a logistical regression or Cox proportional hazard model, one selects one category of a variable as the reference category and compares the other categories to the reference category. For treatment and comparison groups in these analyses, *LA's HOPE* is the reference category, and each of the comparison groups is compared to it. An odds ratio (OR) shows how much more or less likely the included category is to have affected the outcome than the reference category. An odds ratio greater than 1 indicates that the included category has a *greater* chance (higher odds) than the reference category of affecting the outcome, while an odds ratio less than 1 indicates that the included category has a *lesser* chance (lower odds) than the reference category of affecting the outcome. Thus an OR of .172 for the Affiliated comparison group in Model 1 means that the odds that a member of the Affiliated comparison group had worked since enrollment were only 17 percent of the odds that an *LA's HOPE* participant had worked. One can also think of the odds ratio in reverse—that the odds of an *LA's HOPE* participant working at some time since enrollment were 5.88 times the odds of an Affiliated comparison group member working ($1.00/.172 = 5.88$).

Table 6 shows parallel results for permanent supportive housing—ever in PSH since enrollment, number of days until first move-in, and number of days living in PSH. Once again, the only predictor variables consistently associated with these outcomes are the treatment/comparison group variables. *LA's HOPE* clients are about 20 times more likely than Affiliated comparison group members to have lived in PSH since enrollment, and even more likely to have done so than people in the Other comparison group. Differences among groups on days to move-in and number of days spent living in PSH since enrollment are equally dramatic, with *LA's HOPE* clients moving in faster and staying longer.

| Model | (1) | | (2) | | (3) | |
|---|---|-------|--|-------|---|-------|
| Type of analysis | Logit regression | | Cox proportional hazard | | OLS regression | |
| Independent variable | Ever in Supportive Housing Since Enrollment (odds ratios) | | Number of days to first day in PSH after enrollment (relative risk ratios) | | Average days in PSH since enrollment (coefficients) | |
| Sample size | 661 | | 655 | | 657 | |
| Constant | -- | -- | -- | -- | 126.0203 | 0.000 |
| Affiliated comparison group ¹ | 0.0559204 | 0.000 | 0.2698314 | 0.000 | -72.52187 | 0.000 |
| Other comparison group ¹ | 0.0059849 | 0.000 | 0.0068484 | 0.000 | -104.7804 | 0.000 |
| Depression ² | 0.4915292 | 0.131 | 0.4735387 | 0.073 | -6.23639 | 0.308 |
| Bipolar ² | 1.126443 | 0.793 | 0.701607 | 0.389 | -1.362023 | 0.844 |
| Other Diagnosis ² | 1.111535 | 0.828 | 0.9250786 | 0.856 | 0.2628017 | 0.968 |
| Age | 0.9864142 | 0.422 | 0.9978341 | 0.897 | -0.1840209 | 0.422 |
| Black ³ | 0.2541543 | 0.000 | 0.3042299 | 0.000 | -19.94592 | 0.000 |
| Hispanic ³ | 0.2559015 | 0.029 | 0.3219352 | 0.070 | -11.2733 | 0.122 |
| Other Race/Ethnicity ³ | 0.1830368 | 0.077 | 0.423685 | 0.268 | -16.03437 | 0.161 |
| Homeless days in the 12 months prior to enrollment | 0.9948422 | 0.001 | 0.9977788 | 0.091 | -0.0543879 | 0.004 |
| Incarceration days in the 12 months prior to enrollment | 1.000219 | 0.885 | 0.9995501 | 0.778 | 0.0036843 | 0.868 |
| Client was homeless at enrollment | 1.968455 | 0.068 | 1.339773 | 0.389 | 7.490879 | 0.154 |
| Substance abuse co-occurring with diagnosis | 1.651353 | 0.146 | 1.98667 | 0.043 | 10.62237 | 0.024 |
| R-squared | 0.3493 | | Log Likelihood = -233.50 | | 0.2074 | |
| P-value of F-Test on client characteristics (if significant, then client characteristics do contribute to the regression) | 0.0004 | | 0.0007 | | 0.0014 | |
| ¹ - LA HOPE program, reference group | | | | | | |
| ² - Schizophrenia, reference group | | | | | | |
| ³ - White, reference group | | | | | | |

Unlike the case with the employment outcomes, housing outcomes *are* consistently affected by some client characteristics. In particular, regardless of whether one is in *LA's HOPE*, the Affiliated, or the Other comparison group, race/ethnicity, extent of homelessness before enrollment, and co-occurring substance abuse affect housing outcomes. For race/ethnicity, each category included in the model is being compared to the reference category, which is “white.”

Compared to white clients, African-American (Black) and Hispanic clients were only one-fourth as likely to have been in PSH since enrollment and two-thirds less likely to move into PSH on any given day. In addition, African-American clients spent on average about 20 fewer days in PSH since enrollment. Also, the more days a client spent homeless in the 12 months before enrollment, the worse his or her housing outcomes (these differences are statistically significant, but do not appear to be very large). Finally, clients with a co-occurring substance abuse disorder are about *twice* as likely as those without co-occurring disorders to move into PSH on any given day, and on average they spend 10 to 11 more days in PSH.

CONCLUSIONS FROM THE LA'S HOPE-COMPARISON GROUP ANALYSIS

The results presented in this section show quite clearly that *LA's HOPE* has succeeded in achieving its two primary goals—housing single adults with disabilities who are chronically homeless and assisting them to enter employment. To this finding one may say, “Well of course, that’s what they were trying to do, so naturally their clients would look better on these outcomes than members of the comparison group.” To this response we say, “Exactly.”

The point of the five HUD/DOL demonstrations, including *LA's HOPE*, was to see whether one could take chronically homeless individuals with serious multiple disabilities, bring them directly into permanent housing, and encourage them to seek employment. For many reasons, which we summarized early in this report, one might have been skeptical that these projects could take this population and accomplish these basic goals. Certainly the DMH Human Subjects Board was skeptical, though they gave permission for this evaluation to use the Caminar data. The fact that *LA's HOPE* has succeeded against the considerable odds posed by the characteristics of project clients shows that “you get what you try for.” The converse is also demonstrated by the comparison groups—“if you don’t try to achieve specific outcomes, you don’t get them,” or at least you don’t get them as consistently and persistently. *LA's HOPE* clients had barriers to work that were at least as severe as those experienced by the average AB client. However, because *LA's HOPE* was specifically focused on two outcomes and was able to offer intensive employment resources and services, the *LA's HOPE* clients did markedly better than comparison group members in sustaining housing and participating in employment activities that included full and part time employment. If this will work with *LA's HOPE* clients, the odds are it would work with other AB clients and similar homeless people with disabilities *if* the programs that serve them would concentrate on these outcomes, had the needed housing and employment support resources, *and believed* that clients such as those in *LA's HOPE* *could* participate in employment with appropriate supports. The belief is at least as important as the focus and the resources.

IMPLEMENTATION OF LA'S HOPE

During the process aspect of this evaluation we looked at how *LA's HOPE* confronted the issues related to bringing together the three systems involved in the demonstration. Many of the early implementation experiences have already been described as part of explaining where the various components of *LA's HOPE* started, and how *LA's HOPE* works. This section presents a summary of efforts to change public systems and the efforts to coordinate the work of front-line case managers involved in *LA's HOPE*. The next section summarizes the reflections of the

demonstration's many participants related to what could have been done better, what has been accomplished, and what they expect to do going forward.

EFFORTS TO CHANGE THE THREE PUBLIC SYSTEMS INVOLVED WITH LA'S HOPE

Because the three public systems involved with *LA's HOPE*—CDD, DMH, and HACLA—were not accustomed to working together, very early in the grant period *LA's HOPE* managers established a steering committee of policy-level staff from the three agencies, which also included representatives of other agencies involved with or supporting the project. This committee has had the job of working out the goals, orientations, policy modifications, staffing patterns, and bottleneck reductions that are an integral part of multi-agency demonstration projects. Each of the three agencies had its own practices and issues. The initial process data collection took place more than two years after the *LA's HOPE* demonstration grant was awarded, and close to two years after the first clients entered *LA's HOPE*. It looked at how much changed in each agency since the project began, as follows:

- **Mental health/AB programs**—The AB programs have had to adjust in the following ways: *immediately* helping people find permanent housing and helping them through the HACLA application process for Shelter Plus Care;¹⁵ *immediately* raising the issue of employment and continuing to pursue it as a top priority, whether it seemed clinically advisable or not; developing new roles for the AB employment specialists, including developing some type of association with One-Stops; developing and using work experience opportunities that had specific goals and structures; and working with the *LA's HOPE* employment case managers.
- AB program staff were accustomed to offering permanent housing as an inducement to work with the program, usually placing new enrollees in transitional housing initially, or in temporary housing if they were literally on the street or in shelters. They used a “housing readiness” approach as compared to the “housing first” approach required by *LA's HOPE*, which also incorporated a low barrier/high tolerance approach for client behaviors. Only after clients showed good adjustment to being in housing again after spending time homeless were AB staff inclined to consider them ready to move into permanent housing. Their attitude may have owed much to the fact that the AB programs did not have the housing resources to offer all of their clients permanent housing right after enrollment, but it was nevertheless quite deeply entrenched; it meant that the people responsible for offering *LA's HOPE* clients the services that would help them sustain

¹⁵ Note that this could often look like “queue-jumping” as the new *LA's HOPE* clients got housing subsidies before some existing clients whom the agency judged to be more “ready.” Even though the housing resources (Shelter Plus Care certificates) for *LA's HOPE* clients were “new, extra, additional” vouchers that would not have existed or been available to regular AB clients, the issue of *perceived* queue-jumping existed in the minds of both AB clients and staff.

housing doubted the wisdom of offering these particular clients permanent housing at the time of enrollment.

- AB program staff were slow to promote employment as part of recovery and to give clients real opportunities with real work situations and real goals to try and learn from, or even try and fail and learn from that. Each AB program had someone designated as an employment specialist, who helped AB clients think about work and its relation to their lives, write resumes, assess job skills and potential, prepare for interviews, and develop work-appropriate behavior such as promptness, dress, and relating to co-workers and supervisors. But they had not developed work experience structures within the AB agencies that focused on specific skill acquisition and training. Nor did they have relationships with the One-Stops, or use the resources of the One-Stops, or know what preparation a person would have to have to use a One-Stop to best advantage. Thus without significant changes in the behavior and orientation of the employment specialists, *LA's HOPE* clients were not likely to arrive at a One-Stop prepared to go to work and the One-Stop staff were not prepared to serve clients who were not fully oriented toward entering the world of work.
- AB staff all receive training about the full range of benefits and programs their clients may be eligible for, including SSI and SSDI. They learn about eligibility criteria, application procedures, program rules for continued enrollment, and similar matters. Typical AB program practice with new clients is to assess potential eligibility for SSI/SSDI because clients usually need the monthly cash benefits that SSI provides. SSI eligibility also carries with it eligibility for Medi-Cal, which can pay for needed health and mental health treatment. AB staff quickly begin to help new clients to apply for these benefits.

This early emphasis of AB staff on helping clients obtain SSI carries with it an inherent contradiction for *LA's HOPE* clients. The primary goal of *LA's HOPE* is to involve clients in employment. The bottom line criterion for SSI eligibility is a complete *inability* to work. In helping *LA's HOPE* clients with SSI applications, AB staff are at considerable pains to demonstrate that these clients *cannot* work. AB staff often wanted the *LA's HOPE* program staff to hold off with employment-related activities until a client was approved for SSI—a process that often took months.

The rules of SSI do allow a certain amount of employment—more than most people think. But it is also true that severe consequences may follow if one has too much earned income, including termination of benefits and claims against the client to return overpayments to the Social Security Administration, which runs the SSI program. Tales of people to whom these things have happened are well-known to SSI recipients, and stimulate fears of losing both cash assistance from SSI and health insurance coverage from Medi-Cal exert a dampening effect on client willingness to try employment.

Staff well-versed in the intricacies of the rules governing work while receiving SSI/SSDI can explain the rules to clients in ways that will help clients see that work is possible and can enhance their SSI income. But the rules are complex and staff turn over fairly frequently. When they do, the effects of training and experience are lost, along with the

ability or commitment to explain the rules to clients and promote some work involvement.

- **Housing/HACLA**—The kick-off for *LA's HOPE* was November 2003. Outreach began, and DMH started enrolling clients beginning in January 2004. Once enrolled by DMH, moving a client into housing was the next step. Housing placement was complicated because a prospective client first had to apply and qualify for a Shelter Plus Care certificate from HACLA.

At the time, HACLA procedures were under intense scrutiny from HUD and staff had been instructed to follow regulations and protocols to the letter. Unfortunately for *LA's HOPE* as well as for the other federal Chronic Homeless Initiative project in Los Angeles that started about the same time, the Skid Row Collaborative, the people it was expected to serve did not fit “procedures as usual” and no existing regulations or protocols covered some of the issues that had to be resolved before applications could be approved. Chief among these issues were (1) what documentation of homelessness was acceptable to meet the criterion that each client be *chronically* homeless, and (2) whether people could still be counted as chronically homeless if the program moved them to temporary situations such as hotel rooms while waiting for Shelter Plus Care applications to be approved. Without the latter capability, *LA's HOPE* would lose many of its new enrollees through being unable to find them again at the end of the Shelter Plus Care application process (as indeed did happen early in the project).

Decisions on these issues were up to the HUD regional offices in communities with Chronic Homeless Initiative projects (Los Angeles plus 4 others for HUD/DOL projects and 10 others for HUD/HHS/VA projects). Different HUD regional offices handled these issues in different ways, but generally made decisions quickly about how they *would* handle them. In Los Angeles, however, the HUD regional office staff were not willing, or not able, to make the decisions and generally referred everything to the HUD central office in Washington, DC. The ability to clarify or explain nuances in the local situation or in the circumstances of specific applicants was limited, and it took months before answers came back from Washington. During this period of waiting for clarification, HACLA treated people in temporary arrangements as if they were in transitional housing, which meant they could not be considered chronically homeless. If they were not chronically homeless they were not eligible for a Shelter Plus Care certificate under the Chronic Homeless Initiative demonstrations.

LA's HOPE lost many of its early enrollees by the time these matters were decided and the process of approving Shelter Plus Care applications began working smoothly. Even after decisions were made about how to document length of homelessness, preliminary placement, and other matters, HACLA staff had to be trained in the eligibility criteria for *LA's HOPE*, recognize the need for speed, and take steps to provide it.

- The issue also arose as to the tenant's right to retain housing if he or she refused to participate in any of the mental health or employment aspects of *LA's HOPE*. Participation was part of the initial agreement that clients signed when they enrolled in *LA's HOPE*. However, once a participant was installed in permanent subsidized housing,

the mental health and employment staff had very little leverage to force the participation on a reluctant or refusing client. One possibility was to remove a client from housing after continuous refusal to participate in the program, but this approach conflicted with the advocacy position regarding *LA's HOPE*, which was that the housing should be secure regardless of behavior. The steering committee grappled with this thorny issue for quite a while before deciding that HACLA should send letters to participants who were not actively engaged, indicating that their subsidy was in jeopardy unless they began working with the *LA's HOPE* program. These letters did stimulate increased project participation for a while, but DMH did not pursue the proposed action and, to date, no participants have actually lost their subsidy due to failure to participate in employment. Eventually, participation among the most reluctant dropped off again.

- **Employment/One-Stops**—One-Stops have their own priorities that are driven largely by DOL WIA rules and performance standards and their desire to remain financially viable. When *LA's HOPE* began, CDD had a five-year emphasis through its Legacy Diversity Training Program on preparing the One-Stops to assist people with disabilities. System-wide, about 14 percent of the clients served at CDD's One-Stops are people with disabilities, which is quite high compared to many other WIBs. Nevertheless, when the disability is serious mental illness, it presents particular challenges to One-Stops that many may be reluctant to take on. Interest in engaging with AB clients and others with mental illness was associated with One-Stop organizational cultures that saw themselves more as community organizations with a mission to serve local people than as a corporation concerned with the bottom line. Community-organizing cultures were found in both nonprofit and for-profit One-Stops.
- A number of strategies are available for moving the One-Stops toward greater support for employment for people with serious mental illness. Should the WIB attempt to get every One-Stop to offer equal services, or should there be some "specialty" centers for which staff have more extensive training and some performance standards are relaxed? Designating some specialty centers would run counter to CDD's desire to build capacity within the system as a whole and its many efforts over the last seven years to equip all of its One-Stops to work with any client. Or should the WIB provide services throughout the system coupled with adequate training and appropriate active linkages with the AB agencies, along with relaxed performance standards. In the first year of *LA's HOPE* there was a shift from involving a single center (Goodwill Industries) to involving six. Motivations for the change included CDD's desire to see practice changes occur more widely throughout its system, and client and AB agency difficulties with transportation to Goodwill's One-Stop and a desire to have services closer to home.
- At project end, some One-Stops are more eager than others to establish partnerships with mental health agencies and to pursue efforts to work with formerly homeless clients with mental illness. These One-Stops will probably go on to develop the relationships that began as part of *LA's HOPE*.
- In 2003, the One-Stops identified that the most sought after partner for better serving clients with disabilities was the Department of Mental Health, which was never identified as a mandatory partner under the Workforce Investment Act. Centers felt that such

partners would benefit participants accessing the One-Stop system. CDD's efforts to strengthen its relationship with the Department of Mental Health will continue, to reduce that "gap in service" identified by the One-Stops.

MONTHLY CASEWORKER STAFFING SESSIONS

After the first year of serving *LA's HOPE* clients, steering committee members realized that despite their intent, line workers from the various service agencies who actually deal with *LA's HOPE* clients (AB programs, One-Stops, and *LA's HOPE* case managers) were not moving as swiftly as expected to integrate their approaches to helping clients. They therefore established a monthly meeting for caseworkers and employment specialists from the AB programs, the disability specialists and some caseworkers from One-Stops, the *LA's HOPE* case managers stationed at Goodwill who served as the bridges between the AB programs and the One-Stops, and some members of the steering committee.

The monthly meetings went some of the distance toward increasing cross-agency interaction. Attendees did get to know each other and were often able to discuss particular clients and facilitate plans for their housing and employment. The group has taken some steps that make *LA's HOPE* more efficient. For instance, members recognized that clients often had to supply the same information for more than one process. To reduce this sort of wasted effort, they developed a customer flow protocol that includes a common referral form covering all basic client information and employment goals. To facilitate client engagement, *LA's HOPE* employment staff developed a "Passport to Success" that provided incentives for continued client engagement such as clothing and transportation vouchers, assistance with resumes, and phone cards. In addition, the employment workgroup hosted a *LA's HOPE* Day yearly to celebrate a variety of client and project successes occurring within the year. Successes include completing training, getting employment, and keeping a job for a certain length of time.

In summer 2006, plans were afoot for group members to work together to develop an employment skills curriculum that the three AB employment specialists could be trained to use, to increase the job readiness of *LA's HOPE* clients. Creation of this curriculum, which became known as the "Job Retention Toolbox," was later switched to the federal technical assistance group (CHETA) that supports all the HUD/DOL projects. The Toolbox was reviewed by a focus group of 50 homeless and mental health providers from the city and county agency staff, and those comments have been integrated. Further comments are now being integrated by the funder. After review, the Toolbox became available, but it did not appear to be in widespread use at the time of follow-up interviewing. AB agency staff who commented on it said that the Toolbox was geared more to job retention than to job readiness, and thus was not as useful to them as had been hoped. However, while the word "retention" is part of the Toolbox's title, the Toolbox's premise is that interventions that will aid a participant to retain any job he or she may eventually get must start on the first day one works with a participant contemplating employment. The Toolbox focuses primarily on exploring the life skills and attitudes one will need to acquire to be successful at getting and then keeping a job—things one would think would

be front and center of the employment-related activities available at an AB agency post-*LA's HOPE*. The materials will be ready for nationwide distribution on the internet by early 2008.

REFLECTIONS AT THE FOUR-YEAR MARK

In summer 2007 we conducted another round of interviews to assess project structure, changes in agency relationships, and the follow-up process data collection examined the progress made on interagency collaboration during the project's third and fourth years. To understand the insights that people offered as to the successes of *LA's HOPE* and what would have made the process smoother and more effective, it will help to know some history of how the proposal was developed and how it came down to the people who would actually have to make the project work.

HISTORY OF THE LA'S HOPE GRANT

In early summer 2003, Ruth Schwartz of Shelter Partnership, Inc. and an upper-level official in CDD's Human Services Division saw the HUD/DOL request for proposals for a housing and employment demonstration at about the same time and called each other to say that "we should do this." The HUD/DOL RFP offered a way to move forward on an idea for a project that CDD had wanted to do with Goodwill Industries that would target homeless people for employment services but which unfortunately had to be withdrawn for lack of funding shortly before the HUD/DOL demonstrations RFP was issued.

CDD's Human Services Division and Shelter Partnership had worked together in the past. The Human Services Division had once had significant involvement with homeless people through its community action agencies and neighborhood centers, but that stopped in the early 1990s when the function was transferred to the newly created Los Angeles Homeless Services Authority. For several years preceding *LA's HOPE*, CDD's Human Services Division had hoped to bring homeless people back into its orbit, including it in planning documents and contracting with Shelter Partnership for technical assistance and training with respect to homelessness and employment. Shelter Partnership, Inc., founded in 1985, does not do direct homeless services, but instead serves as a catalyst, technical assistance and training provider, data gatherer, report writer, and many other roles to promote the development and maintenance of short-term and transitional housing programs, permanent housing, and supportive services for homeless and potentially homeless people throughout Los Angeles County.

To respond to the HUD/DOL RFP, CDD's Human Services Division brought Goodwill to the table; Goodwill runs one of CDD's One-Stops and specializes in serving people with disabilities and homeless veterans. Shelter Partnership brought DMH to the table, hoping that DMH would bring service resources to the project and free the HUD/DOL funding to concentrate on employment. Shelter Partnership's motivation in applying for *LA's HOPE* was to get more permanent supportive housing for Los Angeles. CDD's motivation was to extend its already significant commitment to have its One-Stops serve persons with disabilities into the homeless population, and especially to develop a greater capacity to work with people with serious mental illness. Also, the city's Workforce Development System had a more extensive and varied

employer data base than the county's, which was expected to help with employment outcomes. DMH's motivation was to increase its ability to promote employment among its AB clients, since staff knew the state standards were going to increase to 20 percent in the near future, and participation in employment among current clients of Los Angeles' 19 AB programs stood at 12 percent (better than the state average, but significantly short of 20 percent).

Ruth Schwartz wrote much of the proposal, with Goodwill Industries supplying much of the workforce-specific contents; CDD obtained all the memoranda of understanding from participating agencies. A HACLA staff person wrote an initial draft of the housing part of the proposal, but it was significantly modified before the whole proposal was submitted, with input from DMH and Shelter Partnership staff. Who was *not* at the table while the project was being conceptualized and the grant was being written is as important as who *was* there. Within CDD, the Workforce Development Division, which would have to administer the project, was not brought in until after the grant was submitted; that division's planning group was involved, but not the operations group that would have to implement the grant. The original vision was that all *LA's HOPE* clients would use the Goodwill One-Stop as their link to the formal workforce system, following the design of CDD's cancelled RFP. Several months after the *LA's HOPE* demonstration was awarded and CDD operations staff became involved, DOL made a site visit and then asked those staff to rewrite the employment part of the project, expanding it to more One-Stops and incorporating a system change component. The result was inclusion of six One-Stops plus additional changes to the work experience component. The final employment demonstration design was not completed until June 2004, nine months after the federal award was received and about five months after DMH had recruited the first *LA's HOPE* clients. Among the issues that had to be resolved, in addition to project structure, were what types of employment supports DOL expected the demonstration to provide. It took quite a while for the project to receive useful definitions of "supported employment," "customized employment," and other terms and to clarify which of these activities it was supposed to do.

Within the DMH world, the AB agencies that would be asked to enroll *LA's HOPE* clients, house them, and move them to employment in ways counter to their standard practice were involved in the grant writing process with respect to housing and supportive services, but did not contribute significantly to the employment part of the proposal. The limited interaction among all the parties who would ultimately be expected to work together due to the proposal's short turnaround time had consequences once the demonstration began.

THE VIEW FROM THE AB AGENCIES

SCHARP staff felt that working with *LA's HOPE* has contributed to changes throughout the agency, including a greater push on supported employment in its AB program and also in the Full Service Partnerships now being funded under the Mental Health Services Act. SCHARP had a relationship with the Urban League's One-Stop before *LA's HOPE* began, and thus had some idea of what to expect for *LA's HOPE*. *LA's HOPE* made agency staff realize that they *could* push employment at any time, even before clients are completely stabilized on medications, and that more people wanted to work and were willing to try than they had previously thought. However, staff still disagree with the "permanent housing, then employment" order of events within *LA's HOPE*, even after four years of experience with it. They still think that housing is a really good carrot to offer in exchange for work participation. It

also helps them sort out clients who want to work and will try even though they face barriers from those who don't and won't. One comment was that "It's hard enough to support employment among those who want to work, but even doing that with all interested clients would be an accomplishment that we don't do now." Staff felt they should be concentrating on helping those who are willing, as resources for employment are limited and the payoffs will be greater. Changing the order to "employment, then housing" was also seen as helping people to realize that they have to do their part in preparing themselves for competitive work, beyond work experience. For *LA's HOPE*, SCHARP did well in getting their clients to participate in work experience, but when the next step of venturing into the world of competitive employment came around, refusals increased. SCHARP staff are directing clients from their regular AB programs to the South Los Angeles WorkSource Center to use the resource room services. But to date the SCHARP staff have not connected with staff at this One-Stop to provide intensive case management services.

Portals staff felt that *LA's HOPE* and its work emphasis was not so different from what Portals has always done for its clients through its Clubhouse model. Portals has a whole department devoted to employment and a structured work continuum ranging from unpaid and then paid work within the agency to transitional and supported competitive employment outside the agency. As Portals staff felt they did, and had always done, a lot of the same things themselves that One-Stops do, they did not think their staff really needed the One-Stops. Portals staff also shared the views of SCHARP staff that housing should be earned, and should not go to people who will have major difficulties keeping it.

San Fernando Valley Community Mental Health Center staff felt their agency would continue to promote employment, but as a result of their *LA's HOPE* experience would know better who would do well and who would not. For people with recent work histories, who had some clean and sober time and were actively working on their recovery, for whom some time had elapsed from their most recent incarceration, who would go on medications and stay on them, and who had diagnoses other than schizophrenia, work was seen as a viable option. Unfortunately, that description fits only about 1 in 30 of the people that participate in the program, or not more than a couple of clients a year—many fewer than were in fact able to participate in some work-related activities through *LA's HOPE*.

Nevertheless, the SFV employment specialist felt there has been some spillover from the *LA's HOPE* experience, and that a few more regular AB clients are now working or interested in working than would have been the case without *LA's HOPE*. She expects to try to keep the weekly job-focus meeting going once *LA's HOPE* ends, as it is much more specifically work-promoting and supporting than the employment meeting she holds for regular AB clients. She said that at least half of current clients have had some contact with a One-Stop. Further, *LA's HOPE* is viewed as very helpful in what it can pay for (tools, clothes, training, transportation). People need to realize that One-Stops can also pay for these things, but only for people who are enrolled as clients for services beyond those supplied by universal access. Even with regular users of One-Stops, only about 4 percent enroll; if more AB clients could be induced to enroll at the One-Stops once *LA's HOPE* ends, they could continue to enjoy some of these additional supports.

Several themes enunciated by AB staff were echoed by the Goodwill case managers and their supervisor. Most important, these highly experienced staff were also saying to select people with a motivation to work. Don't rule anyone out because they have other barriers, they said; if they have the motivation, then work with them to reduce the barriers. They agreed that "it's hard enough" to work with the ones who want to work regularly and steadily. Resources should be focused on them rather than on people who choose not to participate. In this respect it is useful to know that most *LA's HOPE* participants who entered competitive work did so with the help of the Goodwill case managers and/or the AB employment specialists, not through the One-Stops.

DMH REFLECTIONS

DMH has the freedom to define employment goals independent of DOL. Its staff are in the process of deciding on its employment emphasis—is work an issue related to quality of life, helping people feel they are contributing and enhancing their self-esteem and sense of competence? Or is the issue of promoting work to help clients become more self-sufficient—to earn enough to take care of themselves without resorting to public benefits?

In all probability DMH will come down on the side of quality of life. This decision would greatly increase the role of work experience at AB agencies or elsewhere. Many *LA's HOPE* clients have been involved in paid work experience jobs, which Goodwill staff together with the AB agencies took great pains to make similar to competitive employment, with job descriptions, specified skill sets, performance assessments, and some training. This effort paid off, and all but a few *LA's HOPE* clients participated in a work experience placement. That statistic alone should be a signal to AB agency staff that far more people want to work than they give credit for. DMH can use this experience to promote a more employment-related focus in its contract agencies and provide sufficient guidance and financial support to sustain such an arrangement.

However, if a work experience job is not part of a larger plan to acquire certain skills so they can be used later, and if nothing is planned as a follow-up such as moving to "real" employment, there is a real possibility that the work experience approach will backfire. Both CDD and DMH staff felt that this happened early on in *LA's HOPE*, with clients losing interest and getting discouraged when nothing followed participation in work experience. The *LA's HOPE* employment services *design* did include movement into a job, training, or other activities after a participant completed the work experience. According to some people interviewed, this movement largely did not happen because the Goodwill and AB staff did not do the type of planning with clients that would have been needed to help them move forward and keep them engaged. The final year of *LA's HOPE* includes plans to address these employment issues through contracts with the One-Stops that will provide benchmark incentives for placements and retention services.

An important insight for DMH is recognition that AB and similar agencies under contract to DMH need assistance allocating funds for employment and housing stabilization services, and also the specific job skills needed for staff providing employment services.. These agencies tend to focus solely on Medi-Cal reimbursement as the way to pay for these services. They struggle with documenting employment and housing stabilization services in ways that will meet Medi-Cal criteria. They tend to look less to their AB funding, PATH funds that come to the county from SAMHSA, or the new Mental Health Services Act funding, which is very flexible and

could be used to hire employment and housing locator/development specialists without worrying about having to bill Medi-Cal. But mental health agencies tend not to do this. In the future, agencies with Full Service Partnership funding through the Mental Health Services Act will be responsible for housing and employment outcomes, and will have to gear themselves toward achieving them. All of the AB agencies that participated in *LA's HOPE* have Full Service Partnership contracts, but currently no funds are attached specifically to the employment services requirement.

Connecting to One-Stops is good, but a lot of work needs to be done with DMH clients before they are ready for One-Stops. People have to know how to use a computer, be able to function in a crowded environment, be confident enough to ask for help, and so on. They also need employment-related skills and attitudes around punctuality, appropriate dress and grooming, ability to get along with supervisors and co-workers, and some skills in knowing when and when not to disclose their disabilities. The employment specialists should be the ones to help clients build these skills and attitudes and assist in the use of One-Stops once clients are ready to commit to attain/retain employment. DMH will have to allocate funds specifically for these positions and hold the agencies accountable for performance. DMH will also have to encourage agencies to hire people with a background in employment services for these positions, rather than simply picking a caseworker and declaring that person to be the employment specialist. The employment specialists themselves need training and supports to help them develop the best approaches for stimulating this population to engage with work and how to interface with the One-Stops in their community.

A final thought from DMH staff is that *LA's HOPE* should have had a substance abuse partner, and that any future efforts to promote employment among DMH clients will also need one. The level of substance abuse is extremely high among AB clients, and immediate access to resources such as detoxification beds coupled with the ability to retain Shelter Plus Care certifications during a lengthy in-patient treatment program might have significantly decreased the number of disenrollments from *LA's HOPE* due to substance abuse.

THE VIEW FROM THE ONE-STOPS

One-Stop staff felt they worked mostly with the Goodwill case managers but only rarely with AB staff (a perception corroborated by the AB staff). Even the customers themselves were often left out of these communications—something the One-Stop staff would do differently if they had to do it over. The Metro North One-Stop, run by Goodwill and the physical home of the Goodwill case managers, worked with many *LA's HOPE* clients; the other One-Stops less so. Opinions among One-Stop staff varied as to the feasibility and desirability of serving the *LA's HOPE* population or other people experiencing homelessness and/or serious mental illness. Staff at some One-Stops were eager to try and had done their own outreach to the AB and other mental health agencies. Staff of other One-Stops were skeptical. For-profit One-Stops tended to be on the skeptical side, based largely on their concern for meeting DOL standards and maintaining their profitability. The nonprofit One-Stops tended more to the side of wanting to improve their ability to serve these clients. At least one One-Stop has made presentations to SCHARP case managers, introducing them to what is available at the One-Stop. This would not have happened without *LA's HOPE*.

One issue for the One-Stops and customers such as those in *LA's HOPE* is disclosure. The One-Stops each have a Disability Coordinator who can greatly facilitate access to appropriate services and jobs for people with disabilities. But for the Disability Coordinator to be useful, the customer has to be willing to tell the Disability Coordinator or One-Stop case manager about his or her disability. Many customers are reluctant to do this, and there is even skepticism on the part of some One-Stop staff, who feel that people who disclose do not get “the same” treatment as everyone else. Disclosure is something that should be discussed at length among AB and One-Stop staff, so that mental health agency staff will be able to help their clients decide what approach is best for them.

A common observation of One-Stop staff was that mental health agencies would do well to consider their agencies for services because the One-Stops have the best employment connections and resources available to people such as those who participated in *LA's HOPE*. They have the employer connections and the resources for training, education, work-related clothing and tools, transportation, and the like, if people will only come and use them. It would be well worth the while of any mental health agency charged with moving more of its clients into employment to establish good relationships with One-Stops. Several One-Stop staff said they had anticipated that *LA's HOPE* would lead to having a designated, work-oriented, case manager at each AB program who could help the agency's clients with preparation for work and let the One-Stop people do what they do best, which is connecting people to jobs. This partnership did not really evolve during *LA's HOPE*, but doors are at least opening now that the project is in its last year, and a greater degree of collaboration may still happen in the future.

Customized employment is a series of employment strategies that individualize the employment relationship between job candidates and employers in ways that meet the needs of both. It is based on an individualized determination of the strengths, needs, and interests of a person with complex barriers and is also designed to meet the specific needs of the employer. For the *LA's HOPE* project, Goodwill case managers were able to incorporate some customized employment practices that showed success in previous ODEP grants focusing on individuals with a variety of disabilities. Each *LA's HOPE* client was interviewed and an initial discovery form was completed that identified the client's interests and established short and long term employment goals and the necessary steps to complete those goals. The jobseeker became the source of information and the direction to take as he or she returned to the workforce. Based on their individual employment plans, participants accessed the services (training, work experience, or school) that would help them move toward their goals. Some of the challenges encountered were the “I want a job, any job today” attitudes of clients and a failure to follow through after completing the discovery form. Also, some clients were not aware of limitations that might affect their ability to perform the essential functions of the job they were applying for. For those that fully participated in the process, team members and One-Stop staff were able to arrange all the accommodations or on-going supports needed by the client. In some cases, staff and participants were able to negotiate with employers as to job responsibilities, hours, and accommodations needed to support the success of the participant on the job and provide a valued employee for the employer.

CDD REFLECTIONS

The most important thing that *LA's HOPE* did for CDD was to put it “on the map” in the mental health and homeless arenas. Before *LA's HOPE*, CDD had not been at any of those tables, had not worked with homeless assistance providers or mental health agencies, had not been included in plans for prisoner reentry, and was basically invisible to the homeless world. Since *LA's HOPE* began, this situation has changed dramatically. CDD is now included at the beginning stages of many new conversations instead of being left out or not even knowing the conversations are taking place. New areas of activity include reentry work, extended work with DMH, and greater involvement with the homeless world.

- Related to prisoner reentry, CDD's *LA's HOPE* coordinator sits on the steering committee for the Los Angeles County Jail Reintegration project (with DMH), CDD's Workforce Development System received a grant under a new state prisoner reentry program, and CDD staff are also involved in regional and state planning efforts that they would not have been asked to attend before *LA's HOPE*. Thanks to the *LA's HOPE* experience, CDD knew to include housing in the reentry plans and to insist that it come first—something CDD staff would not have thought of before *LA's HOPE*.
- Related to DMH, in addition to jail reentry work, CDD is now written into DMH's community support plans, and has been asked to work with DMH to strengthen its employment-related activities. In January 2007 CDD staff were guest speakers at a meeting organized by DMH to explain what One-Stops are, who they serve, and the services they offer. Attendees included all the AB, Assertive Community Treatment, and Full Service Partnership agencies in the county, public and private mental health clinics, and staff of the Department of Rehabilitation and its contract agencies. The meeting was well attended, and most attendees indicated that they had not known before the meeting what a One-Stop was or why it was relevant to them or their clients.
- The Los Angeles Homeless Services Authority (LAHSA) had some early involvement with *LA's HOPE* due to its general role as the agency that submits homeless-related proposals to HUD. LAHSA was recently tasked with revising Los Angeles' ten year plan to end homelessness and brought CDD into the process. CDD was not in the first round of ten-year planning, which paid scant attention to employment issues.
- Relatively early in *LA's HOPE*, an employment portal was opened at the New Image Shelter, the largest overnight shelter in the County of Los Angeles. The New Image EmployABILITY employment portal is open five hours a night, five nights a week. It now receives 600 visits a month with approximately 40 new visitors a month.
- A seventh One-Stop, in Hollywood, joined the *LA's HOPE* network in late 2005. Based on the success of the New Image portal, this One-Stop opened a second portal to serve homeless people at the People Assisting the Homeless (PATH) Mall in 2006, and has continued that relationship in 2007.
- The Mayor's Economic Development Plan includes language that all Workforce Development in the City of Los Angeles must flow through the CDD Workforce /Economic Development Division.

- The Mayor's office, City of Los Angeles, provided CDD funding in April, 2007 from Community Development Block Grant funds to open another portal similar to the ones that are functioning well in the New Image shelter and in the PATH program in Hollywood. The new portal is located at the Volunteers of America Drop-In Center in the heart of Skid Row. From lessons learned through *LA's HOPE*, the new portal includes necessary community support services, case management, and coordination with One-Stops. In its first couple of months in operation it has already seen close to 70 people placed in employment, almost as many participating in and completing short-term training courses preparing them for specific jobs, and hundreds of people using the portal every month to access job leads.
- The Workforce Investment Board has included persons with disabilities, ex-felons, and people who are homeless or at risk of homelessness as part of the multi-barrier populations to receive priority service through the Workforce Development System.
- CDD is capitalizing on work done to develop a number of tools for *LA's HOPE* by expanding their use to other projects. For instance, Goodwill staff used a menu of services as an outreach tool for new *LA's HOPE* enrollments. Passport to Success is also being used as an engagement tool, and has been presented to staff at both mental health and One-Stop agencies. CDD is adapting these tools for use in its projects with ex-felons and in its employment portals in homeless services locations. Agencies involved in these projects thought these tools were innovative and useful. The Job Retention Toolbox, with its content on building skills through work experience, has provided the AB agencies with an approach they can use in the future.
- CDD has made numerous presentations during the past four years to homeless service and housing providers about the importance of including employment in all planning activities.
- In September, 2007, CDD and the Chronic Homeless Technical Assistance (CHETA) Advisors met with the Executive Director of the California Workforce Investment Board to raise the awareness about employment services for chronically homeless people and schedule a presentation to the State Workforce Investment Board in the Spring, 2008.

HACLA REFLECTIONS

HACLA staff felt that their biggest challenge was getting applicants processed as quickly as possible, including obtaining disability and homelessness certifications that would meet Shelter Plus Care program requirements. It has also been a challenge to keep the participants engaged in supportive services, including those that lead to employment.

Another issue that came up for HACLA was Shelter Plus Care rules for cutting someone off from benefits once household income exceeds the eligibility threshold. Section 8 rules in such a case allow the tenant one whole year of disregarding the excess income, and then a second year of disregarding half the income, before a tenant loses the Section 8 subsidy. This rule is intended to give tenants a chance to stabilize their increased income and be sure they can cover housing expenses without a subsidy before the subsidy is terminated. Shelter Plus Care does not have

such a “soft landing.” Instead, a tenant loses the whole subsidy as soon as annual income exceeds the eligibility threshold. One *LA's HOPE* client was able, once stabilized on medications, to hold a full-time job through which she earned enough to put her over the income threshold, but she was not earning enough to pay for housing entirely on her own. The threat of losing her subsidy caused her to cut back her work hours to bring her back under the threshold, which was an outcome contrary to her own desires and ability, as well as the *LA's HOPE* program goals.

LESSONS LEARNED

One can sum up the *LA's HOPE* experience by noting that, from the perspective of promoting increased collaboration and system change, more happened at the agency level (for CDD and DMH) than happened at the client service level (in the AB agencies and One-Stops). This is somewhat the reverse of what one usually sees in demonstration projects promoting services and systems integration, and quite the reverse of the experiences of another Los Angeles based demonstration project coming out of the same federal Chronic Homeless Initiative.⁽⁸⁾

In addition to the views and reflections of each component of the *LA's HOPE* demonstration project, the evaluator felt it would be useful to provide insights related to planning and project governance that were mentioned by a number of people, and that have much in common with lessons learned from many other demonstration projects.

THE NEED FOR UP-FRONT PLANNING

In light of the difficulties that *LA's HOPE* had in establishing functional working relationships among AB and One-Stop agencies, several people commented on how useful it would have been to have spent the first several months of the grant period in an intensive planning effort.¹⁶ The three AB agencies, six One-Stops, Goodwill, and the steering committee should have taken the time to get to know each other, learn how each agency operated and what it was best at, and think through how they were going to work together and what would need to change to make that joint work most efficient and effective. The evaluator fully understands that the terms of the demonstration grant precluded such devotion to planning. Nevertheless, the anticipated participants in *LA's HOPE* should have appealed to the funders to give them the time to set things up, and the funders should have listened. In the future, funders should build in such planning time if they want their demonstrations to be the best they can be. Issues that these early meetings should have addressed include:

- Developing a governance structure capable of addressing issues at every level, from client casework to modification of agency procedures to fundamental policy decisions. Participants in each governance level must have the authority to act and make decisions at that level. They and their agencies must also have the commitment to continue sending staff to meetings who have the appropriate level of authority to act (discussed in more detail below).

¹⁶ Even more ideally, this would have happened before the grant was written, and the proposed demonstration structure would have reflected the shared understandings and commitment of everyone who would be involved.

- Developing a streamlined approach (less than one month) for processing Shelter Plus Care applications, while at the same time alerting the *LA's HOPE* people to the fact that it would take at least one month to obtain a Shelter Plus Care certificate.
- Establishing documentation requirements for disability and length of homelessness, the latter to include an affidavit from a service provider “vouching for” the person’s chronic homelessness when written documentation cannot be obtained.
- Recognizing that chronically homeless people will not “stay put” while housing applications are processed, and that many newly enrolled clients will be lost unless arrangements can be made to give them a place to stay while the process unrolls. Temporary housing in a motel or other venue for the purpose of retaining clients in the program should not render them “not homeless” for eligibility purposes. Clearly they were chronically homeless at enrollment, and that should be what HUD pays attention to. Many enrollees were lost early on because AB programs were told *not* to make temporary arrangements, with the consequence that later they could not find people again in shelters or on the streets.
- Coming to mutual understandings of what the One-Stops had to offer and what they were good at, but also the preparation of clients if the One-Stops were going to be able to help them—i.e., people needed to be prepared to go to work, and it would be up to the *LA's HOPE* agencies to help them address personal behaviors, attitudes, and legal issues that create barriers to successful employment outcomes.
- Coming to mutual understandings of what the AB agencies already did by way of encouraging employment, and what would have to change if they were going to be successful at promoting a work orientation among *LA's HOPE* clients and helping them prepare for employment.
- Assessing the interest and willingness of the various agencies to develop the needed accommodations—which One-Stops were eager to establish working relationships with mental health agencies and which mental health agencies were interested in developing their work-promoting capacities and which understood the difference between what their employment specialists were already doing and what was needed for *LA's HOPE*.
- Determining the role of Goodwill and the specialized *LA's HOPE* case managers. Deciding whether they were needed at all, whether in the long run they would help or hinder the development of independent relationships among AB agencies and One-Stops, and perhaps also whether they should have been placed in the AB agencies or the resources for them have been devoted to adding specialized employment preparedness staff to the AB agencies.

Once the options for joint work were on the table and the relevant professionals were involved in selecting and shaping the ones they thought would work, the conditions for ongoing collaboration would have been well on their way to being established. Continued meetings of this group would have divided their time between individual case conferencing and addressing system-level issues and any need for modifying collaborative arrangements, along with the

training likely to be necessary to assist front-line staff as they tried to turn theoretical arrangements into actual new behaviors.

From this evaluator's perspective, such early investment in thinking through how a new project will work is essential. The work *will* happen, or else the project will have major difficulties. The only issue is whether it happens up front in a deliberate and open way or whether it happens piece by piece after things have already gotten off on the wrong foot. If it happens up front, with everyone feeling their views are being heard and that they are part of creating new structures, relationships in the new project have a much greater chance of beginning amicably and evolving into effective partnerships. If the work happens after problems begin to be felt, it will probably take even longer because it will have to overcome the feelings of misunderstanding, distrust, resentment, and stress that have developed because no one was paying attention in the first place.

In more than 30 years of evaluating demonstration projects and service and system integration efforts for populations ranging from child welfare to teen mothers to high-risk youth to people with serious mental illness to chronically homeless adults and families, I have seen the pattern play itself out over and over again. Either the planning work gets done first, preferably *before* the project even starts, or it gets done after, and "after" is usually much more painful and less effective. Unfortunately this is a lesson that project funders have never learned, despite its prominence in almost every "lessons learned" section of almost every evaluation report ever written. New projects take time to get up to speed; new projects that involve new arrangements among agencies and people who have never worked together take two to three times more time to reach full functioning compared to projects that are simply adding a new population or a new service onto the activities of people who are already used to working together. Federal demonstrations virtually *never* allow this time or recognize the need for it, and *LA's HOPE* is no exception. Pressures on *LA's HOPE* and other HUD/DOL grantees from the federal level to enroll clients immediately guaranteed that the work to think through collaborative arrangements and processes would not happen. These pressures were just as dysfunctional for the project as a whole as pressures to push employment on clients immediately after housing them may have been inappropriate for the project's clients. With a longer start up time, more time to engage participants, better screening to select clients interested in employment, and more time to establish workable interagency arrangements, *LA's HOPE* would probably have had a higher success rate with clients.

BETTER STRUCTURE TO IDENTIFY AND RESOLVE BOTTLENECKS

When one compares the organizational structure of *LA's HOPE* to those of other activities that successfully integrate the services of several agencies, it is clear what the *LA's HOPE* structure lacks and what would have helped make the path of implementation smoother, in addition to the up front planning work just described. I take the Homelessness and Health Integrated Service Network (HHISN) of San Francisco as an example. HHISN has a three-tiered governing structure— (1) a case conferencing committee made up of front-line workers from the participating agencies, whose work was to make sure that each client got what the client needed; (2) an operations committee made up of the managers in the participating agencies, who had the authority to make things happen within their own agencies to accommodate needs and remove bottlenecks identified as repeated problems by the case conferencing committee; and (3) a steering committee made up of the decision-makers in the participating agencies, who stepped in

when the operations committee could not make things happen that needed to happen, and who also used the experiences of the demonstration to plan and implement long-term agency policies and strategies, both within their own agencies and across agency lines.

LA's HOPE started out with only a third of these. About one year into the demonstration it sorely felt the lack of the first two and developed the monthly caseworker staffing group to compensate. This group was able to make up for some of the missing pieces in terms of resolving issues for individual clients, but its effectiveness was impaired by the lack of anything that functioned as an operations committee, and by the lack of participation from agency directors on any regular basis. To some extent the steering committee got involved in issues that should have gone to an operations committee, but no single set of people ever clearly had the responsibility as well as the authority to resolve operational issues. Far too many operational issues ended up being appealed to the federal level for resolution rather than having the locally responsible agencies make decisions. The upshot was often not getting any decision for many months.

LESSONS LEARNED—SUMMARY

- Give planning the time, attention, and respect it deserves. You will pay the price if you don't.
- Be sure to include in planning people who are fully aware of the challenges posed by the target population and existing agency focuses and constraints, yet who are committed to the ultimate project goals and open-minded as to how they may be accomplished.
- Create a project governing structure that can handle issues at every level, from service delivery for individual clients to changes in agency operating procedures that affect many clients to policy development and long-range planning. Be sure that participants in each level in the governing structure have the authority and interest to make the decisions that will be needed to smooth the way for project functioning.
- If you want people to do specific things that are not what they are doing now, pay them to do the new things. Also train them, and give them plenty of opportunities to discuss how things are going and work out issues as they arise.
- If you want an integrated structure at the end, start with all the players you want to integrate and commit the time and energy to develop a truly integrated functional work structure.

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