BIG BEASTLY SOLUTIONS for California

Ending Homelessness

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EXECUTIVE SUMMARY

California has a bear of homelessness problem. Our state accounts for 28 percent of all homeless people in the entire country. When it comes to unsheltered homelessness, it’s even worse. California makes up 51 percent of the unsheltered homeless population in the United States. Over half of our country’s unsheltered homeless population are in California!

Why?

The pretty politicians have refused to take beastly action to actually solve the problem. They’ve spent years and years and BILLIONS of dollars on homelessness, but the problem has only gotten worse.

As a Certified Public Accountant, John Cox knows how to make dollars work effectively and efficiently. As a CPA, outsider, and successful businessman, John knows how to bring new ideas and change that will actually solve problems.

John has a beastly solution to cut homelessness in half over the next ten years.

1. Treatment First - Before Housing

2. Utilize and Increase Enforcement Actions - Compliance Born of Compassion

3. Focused Funding - Steer Money to Solutions, Don’t Just Throw Money at the Problem

4. Lower the Cost of Additional Housing & Increase Speed to Market of New Units

Solving homelessness in California requires new, bold ideas. It requires a new way of thinking and shaking up the status quo. That’s what John’s plan does and why we’ll cut homelessness in half in California.
THE PROBLEM

California leads the country in homelessness. And it’s getting worse.

From 2019-2020, California experienced the largest increase among all 50 states in the number of chronically homeless individuals, with an increase of 9,537 (24.3 percent).¹

BIG BEASTLY SOLUTIONS FOR CALIFORNIA

28% of the United States’ homeless are in California

51% of America’s unscholettered homeless are in California

56% of America’s unscholettered chronically homeless individuals

161,548

California

91,271

New York

200,000

150,000

100,000


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¹ Source: The State of Homelessness in California 2019-2020

² Source: The State of Homelessness in California 2019-2020
California cities are being held back by their inability to address homelessness. California is home to 3 out of the 5 American cities with the highest homeless population. California is home to all 5 of the American cities with the highest percentage of unsheltered homeless.

California Families, Children & Veterans are Suffering.

Families
In 2020, California Accounted For 37 Percent Of All Unsheltered People Experiencing Homelessness As Part Of A Family With Children.

From 2019 To 2020, California Experienced The Largest Increase Among All 50 States In The Number Of People Experiencing Homelessness As Part Of A Family With Children, With An Increase Of 3,267 (14.6%).

Children
In 2020, California Had 12,172 Unaccompanied Homeless Youth, Accounting For 36 Percent Of All Unaccompanied Homeless Youth Nationally.

Veterans
In 2020, California Had 11,401 Homeless Veterans, Accounting For 31 Percent Of All Homeless Veterans Nationally.

California Accounts For 53 Percent Of All Unsheltered Homeless Veterans Nationally.

From 2019 To 2020, California Experienced the Largest Increase Among All 50 States In The Number Of Homeless Veterans, With An Increase Of 421 (3.8%).
The Old Way of Doing Things

The politicians, led by Gavin Newsom, have been focused solely on how much money they are spending and on building additional housing, but it hasn’t been working.

Despite spending $13 billion the last three years on homelessness, California continues to lead the country in homelessness and in the growth of its homeless population.²

The solution from the politicians is to build more and more beds. But, historically California has had thousands of beds open each night.

California has 150,455 beds available for homeless people. But thousands appear to go unused each night.
Governments in California have spent billions and billions of dollars trying to address homelessness.

"Twenty billion is an appropriate large investment in California’s largest problem," Oakland Mayor Libby Schaaf said.

"Reviews conducted at 60 shelters funded by LAHSA last year found more than half — 33 — were not filling all of their beds. Overall, LAHSA-funded shelters had a 78 percent utilization rate, well below the 90 percent required in their contracts. Monitors also found that 25 of those facilities were failing to meet the minimum standards required by their contracts to get people off the streets for good."

- KPCC 2018
The old way of doing things hasn’t worked. As billions of dollars have been spent, homelessness has increased. As a CPA, John Cox knows we could be spending taxpayer’s money more wisely. As a successful businessman, he has new ideas to solve homelessness in California.
A shortage of beds is not driving California’s homeless crisis. The state has nearly as many beds as it does homeless people. And on any given night thousands of beds go unused. Despite this, politicians of both parties have spent millions on new beds.

In short, politicians have treated homelessness as a housing problem, but as almost any regular Californian can tell you it’s a mental health and addiction problem first. 75 percent of homeless Californians are dealing with mental health or addiction.⁶

“The Solution? Treatment First.”

Putting treatment first means treating the homeless as people. It means believing that lives can be transformed and saved. It believes that those who are currently homeless can one day be self-sufficient. It means more than just housing. It treats root causes.

“Treatment First programs address the substance abuse and mental illness behind much homelessness, and provide the most effective pathway to self-sufficiency.”⁷
HOW IT WORKS

Rehabilitate the individual **THEN**
get them permanent housing

John Cox would dedicate funding to treatment programs that demonstrate they work.

“It is also called the “linear” model, because it relies on a guided progression through recovery programs, building human capacity and treating addiction and mental illness.”

California should invest the billions it’s spending on failed programs on public-private partnerships with organizations with proven results. Then, we must measure the effectiveness of every dollar spent with real metrics on outcomes.
“Treatment First programs show dramatic human improvement, with nearly half of all residents recovering from substance abuse, maintaining housing and gaining stable employment after one year.”

Can You Believe?

California currently prohibits treatment first solutions. “strictly prohibits, however, any requirement of service engagement—including mental health and addiction services—to address the underlying factors that led to a person’s homelessness…

As a result, California non-profits that pair housing with engagement in health services, including sobriety, are completely ineligible for federal, state and local government funding.”

Cut Homelessness in Half

How do you start? Start by enforcing laws that already exist. That means no public camping, drug consumption or fighting.

Most would agree that increased treatment is both good in and of itself and would lead to reduced homelessness. But how do you make sure more treatment happens? Increased enforcement or to put it in Beastly terms: Compliance Born of Compassion.
Case Study

- Houston mayor Sylvester Turner argued that the city must balance the provision of services with enforcement of the law against street camping—a combination he refers to as “tough love.”
- Between 2011 and 2019, the city reduced homelessness by a remarkable 54 percent as it continued to skyrocket in cities like Los Angeles, San Francisco, and Seattle.

The mayor consistently enforced the law against camping and drug consumption, even fighting and winning a lawsuit against the American Civil Liberties Union, which had attempted to hamstring enforcement efforts.

- KPCC 2018

Added Benefit:

Eliminating the Magnet Effect

“In Los Angeles County, for example, 35 percent of the homeless migrated to the county after becoming homeless outside the county;[19] in King County, which is home to Seattle, 23 percent of the homeless migrated to the county after becoming homeless in another state.”

“A Policy of Permissiveness is a Road to Ruin” The San Francisco Board of Supervisors insists on a policy of free housing for the homeless and, at the same time, the city’s district attorney, Chesa Boudin, has decriminalized public camping, drug consumption, prostitution, and other “quality-of-life crimes.”

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1. Challenge Jones vs. the City of Los Angeles

- The Jones decision prohibits law enforcement and municipal officials from enforcing the ban on sidewalk encampments within the city limits of Los Angeles unless the city provides “permanent supportive housing.”
- Simply put, if a homeless individual wants to camp in a public space, they can and will not be removed.
- Challenge the Jones ruling, all the way to the Supreme Court, on the definition of “permanent supportive housing” that will allow more realistic and cost-effective shelter solutions.

2. Legislate a Fix to Proposition 47

- Proposition 47, which downgraded certain drug and property crimes, has resulted in what law enforcement calls “catch and release policing,” because offenders are issued citations with a court date, and let go.
- It has enabled “anarchy for the homeless” with little to no consequence for offenders.
- Legislate smart crime solutions to untie the hands of law enforcement and provide the tools to safely and effectively police the streets.
3. Amend the Lanterman-Petris Short Act

- The Lanterman-Petris Short Act, enacted in 1967, was originally designed to govern involuntary commitment to psychiatric hospitals, but in the 54 years since its passage, there have been significant changes in the mental health delivery system.

- In reality, the Lanterman-Petris Short Act often prevents very sick people from accessing the help they need, flooding the state’s prison system and emergency rooms with mentally ill individuals.

- Amend the Lanterman-Petris Short Act to align with the significant changes in the mental health delivery system since its inception to fit the modern needs of the mentally ill with placement in facilities appropriate to the person’s needed level of care.¹³

And then the Beastliest step of all: Enforce the law and get the homeless into treatment.
BIG BEASTLY CHANGE TO SOLVE HOMELESSNESS

Cut Homelessness in Half

3. BEASTLY IDEA
Focused Funding - Steer Money to Solutions, Don’t Just Throw Money at the Problem

From San Francisco to San Diego cities have wasted millions and millions of dollars on housing first solutions. As a CPA, John Cox will put an end to throwing good money after bad.
FOCUSED FUNDING

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Shifting funding from failing Housing First programs to Treatment First programs solves two problems.

For one, Treatment First actually works to address the underlying problems with addiction and mental illness. Treatment First programs have a proven record of success in helping the homeless to overcome addiction, find employment, and achieve independence.

And second, the cost savings are massive. From a budget and financial standpoint, permanent housing is an expenditure for the duration of an individual’s lifetime—while treatment and recovery programs are short-term investments, tending to individuals for nine to 18 months, then accommodate new occupants.

Smart Spending in NYC

How is it that New York City manages to get 95 percent of their homeless into overnight shelters, whereas Los Angeles only gets 25 percent of their homeless into shelters? Their approach was to simply build more shelter beds.
Housing First Model Doesn’t Make “Cents”

Millions Missed

Los Angeles is spending $7.6 million to construct a 154-bed shelter at a vacant city-owned property in Venice Beach.

The property – which is less than 500 feet from the beach – would be worth potentially hundreds of millions if sold and developed commercially.

Misplaced Priorities

Newsom’s revised budget proposal includes spending $8.75 billion on the Homekey program for 46,000 units of housing. Meanwhile, the revised budget only allocates $750 million to build behavioral health treatment facilities.
“Project Homekey, the successor program to the Project Roomkey hotel-homeless-housing effort, is going to cost taxpayers a lot of money, and according to state law, there’s not a thing you can do about it.”

“Was the costly Project Roomkey a success? Not in Norwalk. According to an internal city memo, of the 206 Project Roomkey clients staying at the Saddleback Hotel, 184 abandoned their room and disappeared. The only thing that vanished faster was your money.”

- The Very High Cost of Project Homekey
Los Angeles Daily News 9.30.2020
BIG BEASTLY
CHANGE TO
SOLVE
HOMELESSNESS

Cut Homelessness
in Half

To lower the number
of the homeless
population who are
homeless because
they simply can’t
afford their homes,
lower the cost of
housing in California

BEASTLY
IDEA
Lower the
Cost of
Additional
Housing &
Increase
Speed to
Market of
New Units

It’s an idea so simple,
it’s amazing that the
politicians haven’t
implemented it.
**How It Works**

Do away with the bad policies contributing to the region’s housing shortage and high housing costs by reducing barriers to building and bring on a homebuilding boom.

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**The Facts:**

- Two-thirds of available residential property is estimated to be zoned exclusively for single-family homes, severely limiting multifamily housing.

- Additional zoning regulations can add enormously to the cost of rents, as much as 50 percent in San Francisco, according to Harvard’s Ed Glaeser.\(^{14}\)

- Construction fees and licenses can often cost more than land itself. Most communities use a complicated “secondary review” process that can be expensive, time-consuming, and give NIMBY activists power to block new housing or drag the approval process out for years.

- The California Environmental Quality Act (CEQA) has become weaponized, allowing unions, environmental activists, NIMBYs, and even individual citizens to challenge virtually any new construction in the state.\(^{15}\)

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**The Solutions:**

- Reform zoning regulations that limit supply and increase prices

- Expedite the housing permit process and reduce associated fees

- Overhaul California Environmental Quality Act (CEQA)

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“Tool for abuse”

- Loren Kaye, Hoover Institution\(^{16}\)

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CEQA dramatically slows down the construction of new housing and drives up costs through delays and the legal process.
The law is often maliciously applied by NIMBYs to halt development.

The Pacific Research Institute has also cited CEQA’s value to anti-development efforts, noting:

Initially an effort to protect the environment, CEQA, passed in 1970, has become by far the biggest regulatory impediment to new housing. . . . The law broadly favors opponents of development. They use it to litigate construction shutdowns when they are able, and to delay projects when a full halt isn’t feasible.

A University of California-Berkeley Law School study found that CEQA environmental reviews are often triggered by local land-use laws, and indicated that the application of CEQA is more stringent in San Francisco relative to the rest of the state.

When cities use state law provisions to facilitate environmental review, the process takes 23 months in San Francisco, but just seven months in Oakland.

This is because “cities apply the same environmental review provisions in different ways – with significant variations in the timelines for entitlement.” CEQA, consequently, increases the cost of development and reduces the supply of available housing.

The result of rising costs and declining supply should be unsurprising to anyone with a basic understanding of economics – higher costs and supply shortages.17

Then Reform the California Environmental Quality Act (CEQA)

• As noted by the nonpartisan Legislative Analyst’s Office, CEQA limits “the amount of housing – both private and subsidized – built in California.”

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The bottom line is Economics 101. Build more housing, faster and the cost of housing will come down.
CONCLUSION

California has a homelessness crisis. The politicians have spent years and billions of dollars trying to fix it, but it’s only gotten worse. It’s time for an outsider, a successful businessman and a CPA to lead a new approach. We can cut homelessness in half by focusing on treatment first, even enforcing and mandating treatment, directing taxpayer money to solutions, and lowering the cost of housing.
REFERENCES


