

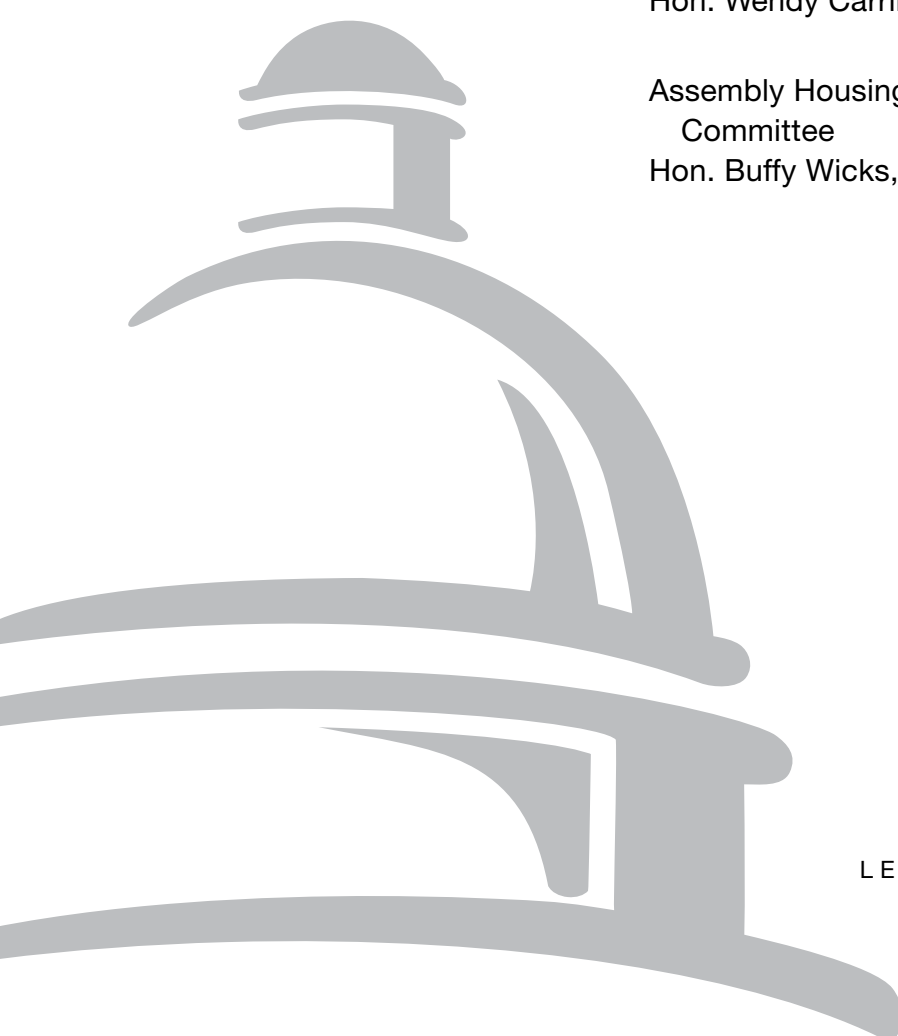
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Major Recent Homelessness Spending Actions

PRESENTED TO:

Assembly Budget Subcommittee No. 4
On State Administration
Hon. Wendy Carrillo, Chair

Assembly Housing and Community Development
Committee
Hon. Buffy Wicks, Chair



LEGISLATIVE ANALYST'S OFFICE

Homelessness in California

Homelessness in California. While homelessness is a complex problem with many causes, the high costs of housing is a significant factor in the state’s homelessness crisis. Rising housing costs that have exceeded growth in wages, particularly for low-income households, put Californians at risk of housing instability and homelessness. In California, around 2.5 million low-income households are cost burdened (spend more than 30 percent of their incomes on housing). More people experience homelessness in California than any other state. In January 2020—the most recent year federal data is available—California had about 161,500 individuals experiencing homelessness, which represented about 28 percent of the total homeless population in the nation. (California’s overall population, however, is about 12 percent of the nation.)

Shifting State-Local Relationship. Historically, local entities have provided most of the homelessness assistance in their jurisdiction, relying in part on federal and state funding. As the homelessness crisis has become more acute, the state has taken a larger role in funding and supporting local governments’ efforts to address homelessness. Overall, the state has increased its role in addressing homelessness by providing significant, albeit one-time and temporary, funding towards infrastructure and flexible aid to local governments in recent years.



Major Recent Homelessness Spending Actions

Recent budget actions reflect the increased role of the state in addressing homelessness.

Major Recent Homelessness Actions^a

(In Millions)

Program	2018-19	2019-20	2020-21	2021-22	2022-23 ^b	Program Total
No Place Like Home	\$2,000	—	—	—	—	\$2,000
HEAP	500	—	—	—	—	500
HHAPP	—	\$650	\$300	\$1,000	\$1,000	2,950
COVID-19 Emergency Funding	—	100	—	—	—	100
Project Roomkey	—	50	62	150	—	262
Homekey Program	—	—	800	1,450	1,300	3,550
Encampment Resolution Program	—	—	—	50	—	50
Totals	\$2,500	\$800	\$1,162	\$2,650	\$2,300	\$9,412

^a All fund sources.

^b The 2021-22 budget authorized some 2022-23 spending actions.

- **No Place Like Home (NPLH).** Voter approval of Proposition 2 in 2018 authorized the use of funds from the Mental Health Services Act, which taxes income above \$1 million, for NPLH. The Legislature created NPLH in 2016 to build and rehabilitate permanent supportive housing for those with mental illness who are homeless or at-risk of becoming homeless. Proposition 2 allowed for the issuance of \$2 billion in bonds for this purpose.
- **Homeless Emergency Aid Program (HEAP).** The 2018-19 budget provided \$500 million one-time General Fund to establish HEAP. Large cities (populations over 330,000) and Continuums of Care (CoCs) could use the funds for a variety of short-term housing solutions for people experiencing homeless, such as shelters and rapid rehousing.
- **Homeless Housing, Assistance and Prevention Program (HHAPP).** Since 2019-20, the budget has authorized \$2.95 billion General Fund in flexible aid to large cities (populations over 300,000), counties, CoCs, and more recently to tribal governments through HHAPP to fund a variety of programs and services that address homelessness.



Major Recent Homelessness Spending Actions

(Continued)

- **COVID-19 Emergency Funding.** In March 2020, emergency action related to the COVID-19 pandemic authorized \$100 million one time in emergency funding to local governments to help protect people experiencing homelessness and reduce the spread of COVID-19 by safely getting individuals into shelter and providing immediate housing assistance.
- **Project Roomkey.** Also established through emergency action associated with the COVID-19 pandemic, Project Roomkey helped local governments lease hotels and motels to provide for the immediate housing needs of vulnerable individuals experiencing homelessness that were at risk of contracting COVID-19. Initially the state provided \$50 million General Fund (later offset by federal funds) for this purpose. In November 2020, the administration announced an additional \$62 million one-time funding for Project Roomkey, this time from the state's Disaster Response-Emergency Operations Account. The 2021-22 budget provides \$150 million one-time General Fund to support transitioning Project Roomkey participants into permanent housing
- **Homekey Program.** Building off Project Roomkey, the 2020-21 budget and subsequent action allocated \$800 million in one-time funding for the then newly established Homekey Program. The program provides for the acquisition of hotels, motels, residential care facilities, and other housing that can be converted and rehabilitated to provide permanent housing for persons experiencing homelessness or at risk of homelessness, and who also are impacted by COVID-19. The 2021-22 budget provides \$2.75 billion (\$1.45 billion in 2021-22 and \$1.3 billion in 2022-23) to continue the program.
- **Encampment Resolution Program.** The 2021-22 budget provided \$50 million one-time General Fund to establish a competitive grant program for cities, counties, and CoCs to support encampment resolution.



Additional Homelessness-Related Spending Actions

Beyond the key homelessness programs described above, the 2021-22 budget also funds various other homelessness-related programs in the human services, health, veterans, transportation, higher education, and emergency services areas of the budget.

Other 2021-22 Homelessness-Related Spending Actions

(In Millions)

Department	Proposal	2021-22 Total
HCFC	Family Homelessness Challenge Grants	\$40
HCFC	Homeless Landscape Assessment	6
HCFC	Homeless Data Integration System	4
HCD	Affordable Housing Backlog	1,750
HCD	Federal Funded Programs for Homelessness	139
HCD	Transitional Housing Plus Program	13
HCD	Housing Navigators for Foster Youth	5
HCFC and HCD Subtotals		(\$1,957)
DSS	Community Care Expansion Program	\$805
DSS	CalWORKs Housing Support Program Expansion	190
DSS	Housing and Disability Advocacy Program Expansion	150
DSS	Bringing Families Home Program Expansion	93
DSS	Home Safe Program Expansion	93
DSS Subtotals		(\$1,331)
DHCS	Behavioral Health Continuum Infrastructure Program	\$756
DHCS	Project for Assistance in the Transition From Homelessness	9
DHCS Subtotals		(\$765)
DSH	Acute Bed Capacity Expansion	\$267
DSH Subtotals		(\$267)
CalVET	Supportive Services for Formerly Homeless Veterans	\$25
CalVET	West L.A. Medical Center	20
CalVET Subtotals		(\$45)
Caltrans	Clean California-Additional Hazardous Material Removal (part of a larger Clean California item)	\$25
Caltrans	Hazardous Material Removal at Encampments	21
Caltrans	Encampment Relocation Coordination and Homeless Services Liaisons	3
Caltrans Subtotals		(\$49)
OES	Homeless Youth Emergency Services and Housing Program	\$50
OES Subtotals		(\$50)
CCC	Basic Needs Funding-Student Hunger and Homelessness Programs	\$130
CSU	Basic Needs Funding-Student Hunger and Homelessness Programs	15
CSU	Project Rebound Student Services	5
Higher Education Subtotals		(\$150)
Homelessness Totals		\$4,614

HCFC = Homelessness Coordinating and Financing Council, HCD = Housing and Community Development, DSS = Department of Social Services, DHCS = Department of Health Care Services, DSH = Department of State Hospitals, CalVet = Department of Veterans Affairs, Caltrans = Department of Transportation, and OES = Office of Emergency Services.