



April 20, 2020

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

Senate President Pro Tempore Toni Atkins
State Capitol, Room 205
Sacramento, CA 95814

Assembly Speaker Anthony Rendon
State Capitol, Room 219
Sacramento, CA 95814

Senator Holly Mitchell
Chair, Sen. Committee on Budget
& Fiscal Review
State Capitol, Room 5080
Sacramento, CA 95814

Assemblymember Phil Ting
Chair, Assembly Committee on Budget
State Capitol, Room 6026
Sacramento, CA 95814

Re: Budget Request for Housing & Homelessness

Dear Governor Newsom, Senate President Pro Tempore Atkins, Senator Mitchell,
Speaker Rendon, and Assemblymember Ting:

COVID-19 has laid bare, in the starkest terms, the need for prioritizing state resources toward solving homelessness. People experiencing homelessness are at greatest risk for both spread of the virus and death from the virus. If we are unable to assist people experiencing homelessness access safety, COVID may continue to spread, even if the majority of Californians are sheltering in place. Further, the economic impact of COVID will most certainly result in increases in homelessness.

Thanks to your bold, decisive action, California is prioritizing the needs of people experiencing homelessness and putting them at the center of the state's response to

COVID. While these actions will undoubtedly help arrest the spread of the virus for the next several months, we must turn these short-term measures into lasting solutions to our homelessness crisis. In that spirit, we are committed to ensuring Californians brought indoors in response to COVID are not returned to homelessness once the COVID crisis ends.

For this reason, we urge passage of ongoing, robust investment in strategies that will take to scale evidence-based housing practices and improve existing responses. Whatever resources the state has at its disposal, whether General Funds, federal Coronavirus Relief Funds, state Community Development Block Grants, and FEMA disaster funds, should be brought to bear, with the goal of investing a total of \$2 billion annually, to make certain not a single person sheltered during the pandemic goes back to the streets.

We greatly appreciate the state's rapid allocation of resources to move people experiencing homelessness to safety in the wake of COVID. Much of the \$150 million in emergency state appropriations will leverage FEMA funding to bring tens of thousands of homeless Californians indoors. These steps will allow the most vulnerable homeless Californians to safely shelter in place or quarantine, preventing the spread of this disease. Many of our local jurisdictions are collaborating and coordinating state funding and prioritizing local dollars to address the vulnerabilities our homeless population face in the wake of the crisis:

- In Los Angeles, the City, County, and Continuum of Care (CoC) are collaborating to bring online 15,000 hotel and motel rooms so that the most vulnerable asymptomatic homeless populations can safely shelter in place.
- San Jose, Santa Clara County, and the CoC are partnering to keep open winter shelters and safe parking programs 24/7. They are adding shelter beds to ensure safe distancing, and are sheltering people in 105 of the state trailers.
- San Diego City and County have been working to move thousands experiencing homelessness indoors and are making available over 2,100 motel/hotel rooms, over 400 of which are dedicated to asymptomatic individuals and families experiencing homelessness.
- The County of Orange and the CoC are coordinating to create additional shelter beds for people experiencing homelessness, isolation shelters to provide a medical safety net for homeless individuals who are COVID-19 positive or symptomatic, and non-congregate shelters for those at high-risk.
- The City of Bakersfield, Kern County, and the Bakersfield/Kern CoC are coordinating to expedite construction of 380 additional emergency shelter beds, to implement social distancing measures in existing shelters, and to prepare state trailers for COVID-positive unsheltered individuals.
- Long Beach City and CoC have opened three shelters for people experiencing homelessness, providing more than 200 beds and isolation space, and are coordinating with Los Angeles County to staff and operate a 135-room hotel for COVID-negative, high-risk populations.
- The City and County of San Francisco are using hotels, alternative shelter protocols, and shelter health screening, so that the most vulnerable asymptomatic people experiencing homelessness can safely shelter in place.

While our state and local governments are moving mountains to execute these strategies quickly, we must not lose sight of our long-term objective: to end homelessness in California. The state's response must call for transitioning all Californians experiencing homelessness into permanent housing during and after the COVID emergency. This effort will require an extensive, scalable housing strategy and ongoing state funding, as our communities cannot achieve this goal without continued state partnership.

Earlier this year, a coalition that included signatories to this letter urged passage of \$2 billion in ongoing funding toward solving homelessness (*see attached budget request following this letter*). While we understand that COVID has created a new budget reality, we are all joining the effort to secure the long-term investment in homelessness proposed in the earlier budget request, and incorporated in the language of Assembly Bill 3300 (Santiago, Bloom, Bonta, Gipson, Quirk-Silva, Wicks). We believe the state's prioritization of federal stimulus and any state resources this year can help us reach the goal of \$2 billion captured in that letter and bill.

We ask for significant budget action focused on putting California on a sustainable, coordinated, long-term strategic path toward solving homelessness that includes the structural, allocation, and accountability changes outlined in the previous letter, many of which are consistent with the objectives the Governor articulated earlier this year. We hope to harness the current urgency and the rapid, collaborative community response to COVID-19 to fulfill this goal. This effort to enact comprehensive, thoughtful strategies, even in the face of a truncated budget process, is more critical than ever before.

As the state responds to COVID with urgency, the state must maintain a vision of a longer-term, cost-effective answer that ensures we do not abandon those brought indoors. We are living through unprecedented uncertainty, and call on you to continue your leadership in making certain our most vulnerable Californians are never again vulnerable to a public health crisis because they are homeless. We look forward to working with you to take dramatic, thoughtful, and comprehensive action toward solving homelessness in the wake of this crisis.

Sincerely,



Kathryn Barger
Chair, Los Angeles County Board of
Supervisors



Eric Garcetti
Mayor, City of Los Angeles



Heidi Marston
Interim Director, Los Angeles Homeless
Services Authority



Sam Liccardo
Mayor, City of San Jose
Chair, Big City Mayors



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Director, Office of Supportive Housing,
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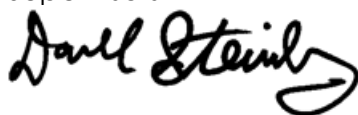
London Breed
Mayor, City & County of San Francisco



Greg Cox
Chairman, San Diego County Board of
Supervisors



Kevin Faulconer
Mayor, City of San Diego



Darrell Steinberg
Mayor, City of Sacramento



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Chairwoman, Orange County Board of
Supervisors



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Chairman, Riverside County Board of
Supervisors



William R. "Rusty" Bailey, III
Mayor, City of Riverside



Libby Schaaf
Mayor, City of Oakland



Sharon Rapport
Director, California State Policy,
Corporation for Supportive Housing



Lisa Hershey
Executive Director, Housing California



Elise Buik
President & CEO, United Way of Greater
Los Angeles

Supporting Organizations







Previous Budget Request, Sent March 2020



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Re: Budget Request for Housing & Homelessness

Dear Governor Newsom, Senators Atkins and Mitchell, Speaker Rendon, and
Assemblymember Ting:

Building on momentum from the Governor's State of the State, imploring action on homelessness, we the undersigned support and urge you to pass a budget proposal that continues your leadership and focuses on putting California on a sustainable, coordinated, long-term strategic path toward solving homelessness. A coalition of cities, counties, homeless Continuums of Care (CoCs), and housing and homelessness advocates request an on-going budget allocation of \$2 billion annually to fund evidence-based solutions to homelessness.

We are proposing California meet the scale of need with the scale of investment into the California Access to Housing and Services Fund the Governor created, in tandem with bill language that restructures and coordinates funding going forward. Funds should bolster systems created over the last four decades, require local match, and promote accountability and coordination among state and local agencies. With past investment in evidence-based, locally-driven solutions, California has generated the

largest declines in family and veteran homelessness in the nation. These outcomes prove that resources dedicated to evidence-based practices, funneled through a collaborative strategy, substantially reduce homelessness.

Our recommendations tap into what we know works and overlap with several of the Governor's proposals on homelessness and recommendations proposed in the Comprehensive Crisis Response Strategy released by the Governor's Council of Regional Homelessness Advisors. We are proposing the following, long-term framework to guide the state's investment:

- **Commit on-going funding of \$2 billion into the California Access to Housing and Services Fund the Governor created through Executive Order N-23-20.** Funding would flow through a state and regional collaborative structure that promotes innovative ways to move people from homelessness to permanent housing quickly.
- **Fund a comprehensive approach.** Data show a comprehensive response works to solve homelessness. As such, state funding should—
 - Offer an emergency response that ensures people receive services that help them access permanent housing,
 - Recruit landlords and offer access to private-market housing through landlord incentives and rental assistance,
 - “Buy into” existing affordable housing through capitalized operating subsidies,
 - Build new housing that will ensure affordability over decades,
 - Fund evidence-based housing navigation, tenancy support, and employment services, and
 - Fund homelessness prevention, problem-solving, and other rapid resolutions programs for people at imminent risk of homelessness.
- **Coordinate and support local responses.** Counties, CoCs, and large cities have made tremendous progress in coordinating housing and services, and were able to move tens of thousands of Californians experiencing homelessness into homes last year. A fund should be designed to take advantage of and stimulate coordination, not replicate or circumvent it.
- **Hold local jurisdictions accountable for results.** Programs funded through this grant should be evidence-based, high quality and data-proven, with a focus on moving individuals into permanent housing. Funding would promote accountability in multiple ways:
 - Local governments will be required to match funds on an annual basis.
 - Any one jurisdiction that fails to spend funding within set timeframes or fails to meet specific benchmarks will risk losing funding, replaced by another jurisdictional agency or non-profit.
 - Annual reporting requirements from the Administration to the Legislature regarding funding commitments and outcomes will help the Administration oversee the program, make programmatic corrections, and feed data into a state-overseen evaluation.
- **Promote collaboration and coordination of resources.** Jurisdictions would receive funding for different eligible uses in a way that promotes collaboration:
 - 40% to the largest 13 cities, largely for capital to build new housing and expand shelter and other emergency responses;
 - 55% to counties and Continuums of Care to create local flexible pools for housing and services funding; and

- 5% to housing developers in small and medium-sized cities and unincorporated areas to build affordable and supportive housing for people experiencing homelessness.

Multiple other provisions should stimulate collaboration. Counties should be required to fund services and operating expenses at certain city-funded supportive housing projects. Counties and CoCs should work to approve joint applications for funding, given the close relationships between counties and CoCs, while ensuring each entity meets its objectives. And counties and CoCs should create mechanisms to pool their state and local dollars, as well as funding from local agencies impacting homelessness, akin to the Los Angeles County Flexible Housing Subsidy Pool and other local approaches following similar models.

- **Distribute funding according to a needs-based formula.** Funding would be deployed to the regions of our state where our crisis is most acute, while also ensuring funding reaches all Californians experiencing homelessness. A needs-based formula consistent with No Place Like Home will consider two simple factors: homeless Point-in-Time counts and the number of people most likely to fall into homelessness because of housing costs in excess of 50% of their monthly income. Funding should be allocated purely based on need, with no caps on any jurisdiction's allocation.
- **Administer funds through departments with expertise in administering housing and services programs.** As with other successful programs, state departments with expertise and experience administering programs for housing and services should coordinate administration of this program. We therefore recommend the Departments of Housing and Community Development and Social Services jointly administer the program, with a Memorandum of Understanding identifying specific roles for each department.
- **Make existing state programs more effective.** Structural changes would allow the state to coordinate funding, prevent people from falling into homelessness from state-funded institutional settings, and apply standards across programs that follow evidence-based practices.
- **Focus on vulnerable populations typically underserved through state dollars.** Grantees will be required to allocate at least 10 percent of grant funds to youth experiencing homelessness, and at least 25 percent of funding to survivors of domestic violence and sexual assault, older adults, chronically homeless individuals, and/or persons exiting prison or jail.

Finally, we recognize that the closure of board and care facilities represents an acute crisis for the state. However, we urge you to tackle this critical issue separately from any budget proposal around homelessness. Many people experiencing homelessness do not need the level of care and supervision that board and care facilities provide to exit homelessness, and we have no data on how many people fall into homelessness as a result of board and care closures. Further, as the Legislative Analyst's Office reported in their response to the Governor's Plan on Homelessness, funding to shore up board and care facilities could consume a large portion of funding intended to reduce homelessness, while potentially failing to move a single household out of homelessness. These facilities require their own standalone response to be sustained.

With record numbers of Californians identifying homelessness as their top concern, and more Californians falling into homelessness than ever before, we look forward to

working with you to make meaningful investments, clarify a state leadership structure and plan, and ensure funding has the greatest impact. Thank you for your commitment to supporting solutions to homelessness.

Sincerely,



Kathryn Barger
Chair, Los Angeles County Board of
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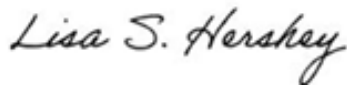
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