

# Breaking the Cycle

## California’s Homelessness Crisis and the Path Forward with Effective Investments, Coordination, and Accountability

Joint Informational Hearing  
Tuesday, March 7th, 2023, 1:30 pm. – Room 1200

### GOAL OF THE HEARING:

This hearing is a joint hearing of the Senate Housing Committee and the Senate Human Services Committee. The goal of this hearing is to understand the recent actions and investments undertaken by the state legislature and Governor to end and prevent homelessness, ascertain the effectiveness and identify specific outcomes for those actions and investments, discuss state and local accountability measures, and to discuss further actions that will be necessary to address the homelessness crisis.

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## I. Homelessness in California

### California is in a homelessness crisis

Homelessness data derived from point-in-time (PIT) counts<sup>1</sup> and Homeless Management Information System (HMIS) data<sup>2</sup> inform strategic planning efforts, funding allocations, and impact evaluations of current homeless programs and funding. Both data sets likely undercount the true numbers of people experiencing homelessness due to limitations on administrative capacity, homelessness cycling, demographic variation, access to homelessness services, methodological variation, and more. Below are California specific statistics based on these two sets of available data collection.

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<sup>1</sup> PIT counts are unduplicated one-night estimates of both sheltered and unsheltered homeless populations. The one-night counts are conducted by CoCs nationwide and occur during the last week in January of each year and reported to the US Department of Housing and Urban Development (HUD). The information gathered during the PIT counts is the main source of data used by the federal government to track the number, demographics and needs of people experiencing homelessness throughout the country over time.

<sup>2</sup> HMIS data are collected by organizations that receive HUD funds to serve people experiencing homelessness and are designed in part to provide unduplicated counts of sheltered homelessness across Continuums of Care (CoCs).

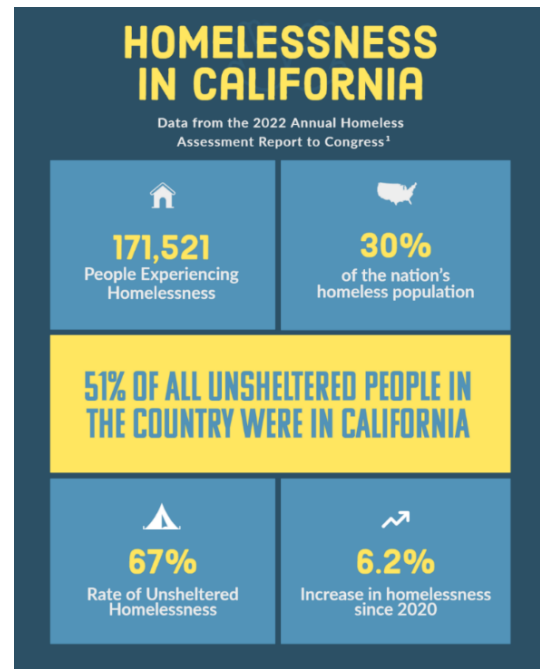
### By The Numbers<sup>3</sup>

According to the most recent PIT count, on one night in January 2022:

- 171,521 people were experiencing homelessness in California—representing 30% of the nation’s homeless population.
- Over half (51%) of all unsheltered people in the US were in California. Two-thirds (67%) of people experiencing homelessness in California were unsheltered.
- There was a 6.2% increase in homelessness in California since 2020 and 23.4% since 2007.

Accessing homelessness response services:

- 273,515 people accessed California’s homelessness services including: 176,838 individuals and 92,195 people in families with children. 24,522 were unaccompanied youth.<sup>4</sup>
- 571,246 people across California were enrolled in homelessness services, shelter, and housing programs between July 2018 and June 2021.<sup>5</sup>



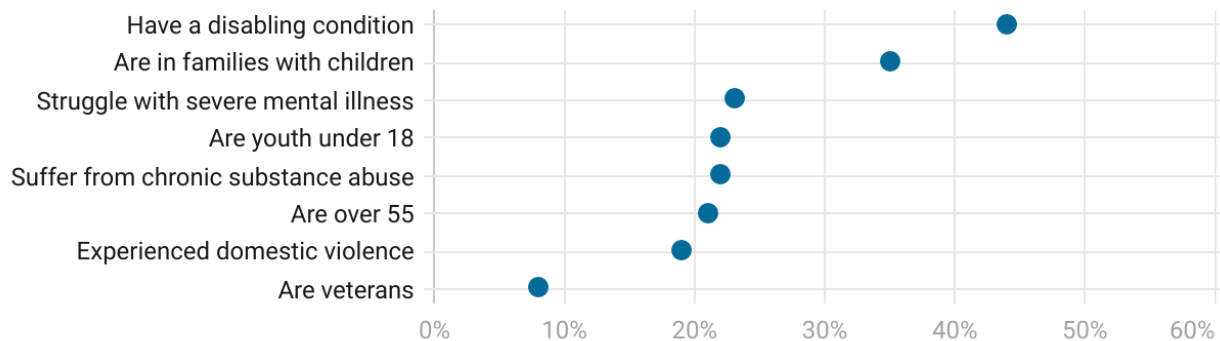
### Demographics<sup>6</sup>

Homelessness is not experienced equally and, as such, past investments have not met the needs of marginalized groups. As a result, they experience homelessness at a disproportionate rate.

#### Race and Ethnicity

Homelessness in California reflects stark racial inequities and impacts of systemic racism. The Los Angeles

#### Percent of Californians experiencing homelessness who:



Source: *California Homeless Data Integration System* (check out for additional demographic information); U.S. Department of Housing and Urban Development’s *Continuum of Care Homeless Populations and Subpopulations* (for mental illness and substance abuse data)

Created with Datawrapper

<sup>3</sup> The 2022 Annual Homeless Assessment Report to Congress. U.S. Department of Housing and Urban Development. Dec 2022. <https://www.huduser.gov/portal/sites/default/files/pdf/2022-AHAR-Part-1.pdf>

<sup>4</sup> Homeless Data Integration System. Business, Consumer Services, and Housing Agency. <https://bcsh.ca.gov/calich/hdis.html>

<sup>5</sup> Statewide Homelessness Assessment. Cal-ICH. February 2023. [https://www.bcsh.ca.gov/calich/landscape\\_assessment/](https://www.bcsh.ca.gov/calich/landscape_assessment/)

<sup>6</sup> Statewide Homelessness Assessment. Cal-ICH. February 2023. [https://www.bcsh.ca.gov/calich/landscape\\_assessment/](https://www.bcsh.ca.gov/calich/landscape_assessment/)

Homeless Services Authority published a 2018 report identifying institutional racism as main driver of black people experiencing homelessness.<sup>7</sup>

- Black people comprise 5.8% of California’s overall population, but 30.7% of people experiencing homelessness. The share of Black people was 5.3 times greater in the PIT count than their share of the state’s overall population.
- Indigenous people experiencing homelessness was five times their share of the population. Native Hawaiians and Pacific Islanders experiencing homelessness was 2.8 times greater.
- Hispanic people are three times more likely to report worrying about becoming homeless than white people in California. Despite relatively high poverty among Hispanic/Latinx people, the percentage of Hispanic/Latinx people experiencing homelessness was lower than among the state’s overall population. Hispanic/Latinx populations, however are more likely to live in overcrowded conditions (e.g., doubling up), and tend to use public services at lower rates than other racial and ethnic groups.

### Age

- Children were a smaller percentage of people experiencing homelessness (10.0%) than their percentage among California’s overall population in 2019 (22.5%). The relatively low rate of homelessness is in part due to children and families having access to a wider range of safety net programs than adults without children.<sup>8,9</sup>
- Young adults are less likely to be in families, and more likely to experience unsheltered homelessness. They are likely to be undercounted since they are more mobile throughout the day and receive services less often. Young adults often prefer to participate in services with other young people. Individually tailored services may be especially important for this group.<sup>10</sup> Young adults exiting the foster care system also are at increased risk for experiencing homelessness.<sup>11</sup>
- The rate of adults aged 55 and over experiencing homelessness increased 7.4% from 2017 to 2021, with seniors making up half of all people experiencing homelessness. Seniors seeking state homelessness services also increased by 84% — more than any other age group.<sup>12</sup> Many seniors are experiencing homelessness for the first time often related to increasing housing, food, and other costs

### Gender and Sexuality

- Women are more likely to experience homelessness in families. Almost 28% of women (of all ages) experiencing homelessness were in families, compared to 10.3% of men and 2.2% of transgender or gender non-conforming people.
- Sexual minority adults are twice as likely as the general population to have experienced homelessness in their lifetime<sup>13</sup>. Seventy-one percent of sexual minority people experienced homelessness for the first time as an adult. Twenty percent of sexual minorities experienced homelessness before age 18. A higher proportion of transgender people report recent homelessness than sexual minority and cisgender straight people. Seventeen percent of sexual minority adults have experienced homelessness in their lives compared to 6% of cisgender straight people.

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<sup>7</sup> Report and Recommendations of the Ad Hoc Committee on Black People Experiencing Homelessness. LAHSA. December 2018. <https://www.lahsa.org/documents?id=2823-report-and-recommendations-of-the-ad-hoc-committee-on-black-people-experiencing-homelessness>

<sup>8</sup> Shaefer et al. The Decline of Cash Assistance and the Well-Being of Poor Households with Children. Social Forces. February 2020. <https://doi.org/10.1093/sf/soz020>

<sup>9</sup> Parolin. Income Support Policies and the Rise of Student and Family Homelessness. AAPSS. April 2021. <https://doi.org/10.1177/0002716220981847>

<sup>10</sup> Henwood et al. What do homeless transition-age youth want from housing interventions? Children and Youth Services Review. June 2018. <https://doi.org/10.1016/j.childyouth.2018.04.014>

<sup>11</sup> UC Berkeley i4Y. Youth Homelessness Should be Rare, Brief, and One-Time. 2019. <https://drive.google.com/file/d/1V17mFUg3sbqrbPCnua8bL9HPZjnzD73/view>

<sup>12</sup> The fastest-growing homeless population? Seniors. Cal Matters. February 2023. <https://calmatters.org/health/2023/02/california-homeless-seniors/>

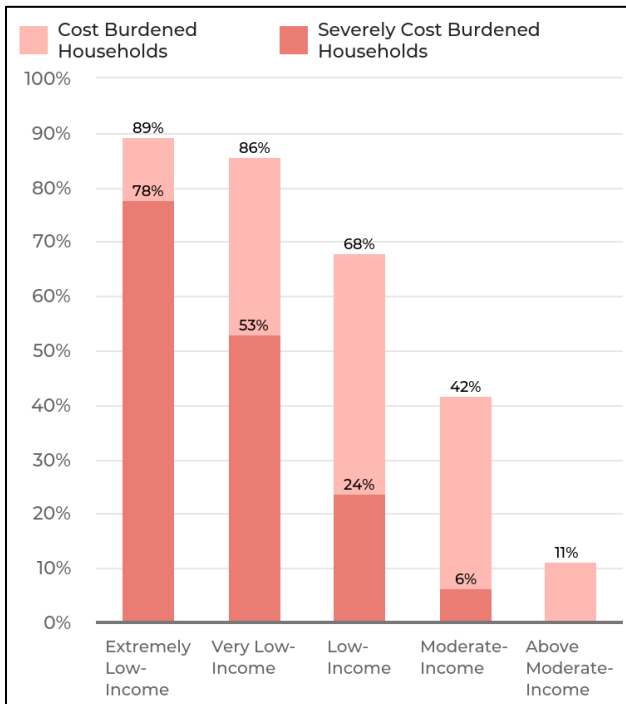
<sup>13</sup> Homelessness among LGBT adults in the US. UCLA. May 2020. <https://williamsinstitute.law.ucla.edu/publications/lgbt-homelessness-us/>

## II. Homelessness is a Housing Problem

### What is the cause of homelessness?

A pervasive but inaccurate view of homelessness is that the primary cause of homelessness can be explained by individual factors such as mental illness, drug addiction, or poverty. **In 2008, Researchers at RMIT University found that fewer than 15% of their large sample of people experiencing homelessness had substance abuse issues before entering homelessness.**<sup>14</sup> While these factors are correlated with homelessness, the variation in rates of homelessness cannot be explained by variation in rates of individual factors such as poverty and mental illness. **Housing market conditions explain the most variation in rates of homelessness observed around the country.**

**Cities with higher rents and lower vacancy rates see higher per capita rates of homelessness.**



According to researchers at the University of Washington, cities with higher rents and lower rental-vacancy rates (*i.e.*, tighter housing markets) see higher per capita rates of homelessness.<sup>15</sup> Individual risk factors help account for those that might lose their housing at any given point in time, but housing markets—rents and vacancy rates—set the context in which those risk factors are expressed. **The fundamental conclusion is that the consequences of individual vulnerabilities are far more severe in locations with less accommodating housing markets.**

High housing costs lead to homelessness.

California has the largest concentration of severely unaffordable housing markets in the nation<sup>16</sup> and the statewide average home value reached a new record in June 2022 at \$793,300.<sup>17</sup> Over three quarters (78%) of extremely low-income households in California are paying more than half of their income on housing costs compared to just 6% of moderate-income households.<sup>18</sup>

Figure 1. Per capita homelessness as a function of median two-bedroom rent by state

<sup>14</sup> Johnson and Chamberlain. Homelessness and Substance Abuse: Which Comes First? Australian Social Work. 2008.

<https://doi.org/10.1080/03124070802428191>

<sup>15</sup> Homelessness is a Housing Problem. Colburn and Aldern. University of California Press. March 2022. ISBN: 9780520383784.

<https://www.sightline.org/2022/03/16/homelessness-is-a-housing-problem/>

<sup>16</sup> Frontier Centre for Public Policy. *Demographia International Housing Affordability - 2022 Edition*. Accessible here:

<https://urbanreforminstitute.org/wp-content/uploads/2022/03/Demographia-International-Housing-Affordability-2022-Edition.pdf>

<sup>17</sup> Zillow. *California Home Values*. Accessible here: <https://www.zillow.com/home-values/9/ca/>

<sup>18</sup> California Housing Partnership's Housing Needs Dashboard. Accessible here: <https://chpc.net/housingneeds/>

A lack of affordable housing is the biggest contributor to homelessness.<sup>19</sup> As housing costs continue to rise, rent becomes less affordable for lower-income households, who are forced to live beyond their means (paying more than 30% of income on housing costs) or are pushed out of their homes, leading to rapid increases in homelessness.<sup>20</sup> **Variation in rates of homelessness cannot be explained by variation in rates of individual factors such as poverty or mental illness, however, cities with higher rents and lower rental vacancy rates (i.e., tighter housing markets) are directly linked to higher per capita rates of homelessness.**<sup>21</sup>

#### Lack of wealth increases homeless vulnerability

The ability to afford housing is in part a function of a household's income, which means those with lower incomes have a higher probability of experiencing homelessness. While there may be a perception that people experience homelessness due to inability or disinterest in sustaining employment because of mental health or substance use issues, many individuals and families experiencing homelessness have, or recently had, jobs. **A 2020 study by the California Policy Lab found that 74% of homeless individuals in Los Angeles County had a record of employment between 1995 and 2018 prior to becoming homeless.** On average, they worked two of the four quarters in the year before service enrollment with earnings dropping the quarter before service enrollment. However, the average annual earnings of study participants was only \$9,970 in the year prior to experiencing homelessness.<sup>22</sup>

#### California's Housing Market and Affordability

The lack of affordable housing plays a significant role in causing individuals to become homeless or creates obstacles for individuals experiencing homeless to transition into stable housing. The need for and costs of housing have consistently outpaced the development of affordable housing for over 30 years. As of 2022, working at the minimum wage of \$15/hour, a renter have to work 83 hours each week to afford a modest one-bedroom rental home at Fair Market Rent in California.<sup>23</sup>

The lack of supply is the primary factor underlying California's housing crunch. To keep up with demand, the state Department of Housing and Community Development (HCD) estimates that California must plan for the development of more than 2.5 million homes over the next eight years, and no less than one million of those homes must meet the needs of lower-income households (more than 640,000 very low-income and 385,000 low-income units are needed). For decades, not enough housing was constructed to meet need, resulting in a severe undersupply of housing. New construction of housing, both single family homes and apartments, continues to lag behind historical averages, and lags further behind the number of new units needed to meet housing demand.

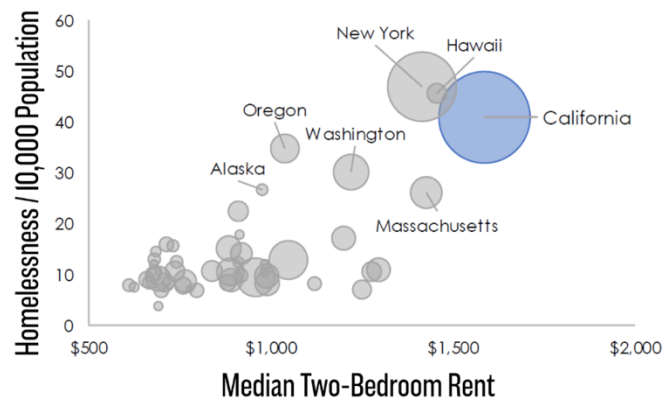


Figure 2. Cost burdened renter households in California by income, 2019

Working at the minimum wage of

**\$15/HOUR**

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to afford a modest

**1 BEDROOM**

rental home at Fair Market Rent in California

<sup>19</sup> Thomas H. Byrne, Benjamin F. Henwood, and Anthony W. Orlando, "A Rising Tide Drowns Unstable Boats: How Inequality Creates Homelessness," *The ANNALS of the American Academy of Political and Social Science* 693, no. 1 (2021): 28-45. Accessible here: <https://doi.org/10.1177/0002716220981864>  
<sup>20</sup> Chris Glynn, Thomas H. Byrne, and Dennis P. Culhane. "Inflection points in community-level homeless rates." *The Annals of Applied Statistics*, 15(2) 1037-1053 June 2021. Accessible here: <https://doi.org/10.1214/20-AOAS1414>

<sup>21</sup> Sightline Institute (2022). *Homelessness is a Housing Problem*. <https://www.sightline.org/2022/03/16/homelessness-is-a-housing-problem/>

<sup>22</sup> Wachter et al. Employment Among LA County Residents Experiencing Homelessness. California Policy Lab. <https://www.capolicylab.org/employment-among-la-county-residents-experiencing-homelessness/>

<sup>23</sup> Out of Reach. National Low Income Housing Coalition. 2022. <https://nlihc.org/oor/state/ca>



## Homelessness costs more than housing.

According to the most comprehensive homelessness cost study conducted in the United States released in 2015, which evaluated homelessness in Santa Clara County, **by prioritizing housing opportunities for persistently homeless individuals with the highest costs, it is possible to obtain savings that more than offset the cost of housing.**<sup>24</sup> Individuals who become persistently homeless use more public services and have far higher public costs than their peers who do not become homeless. **The same study found the average pre-housing public cost in Santa Clara County was \$62,000 and the average post-housing cost was \$20,000, or a nearly \$43,000 annual reduction.** Additionally, allowing homelessness to persist equated to \$3 billion in county services used by 104,206 homeless residents between 2007 and 2012, or about \$520 million per year. Medical diagnoses and the associated health care services were the largest component of homeless residents' overall public costs. The second largest component of the overall cost of homelessness was associated with justice system involvement.

A 2019 study of public costs of those working and experiencing homelessness demonstrated that health care costs were five times higher and four times higher for persistently homeless youth than for their counterparts who did not become homeless. Justice system costs were nine times higher for persistently homeless workers and seven times higher for persistently homeless youth than for their counterparts who did not become homeless<sup>25</sup>.

**A third cost study conducted in Los Angeles in 2009, found that public costs were overall reduced by 79% when homeless individuals are provided with permanent supportive housing.**<sup>26</sup> A fourth study in Orange County concluded that the county would save \$42 million a year in health care, law enforcement, and other expenses by placing people who are chronically homeless into housing.<sup>27</sup>

## Housing First is the only evidence-based model for solving homelessness.

### What is Housing First?

Housing First is an approach to quickly and successfully connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment, or service participation requirements. Supportive services are offered to maximize housing stability and prevent returns to homelessness as opposed to addressing predetermined treatment goals prior to permanent

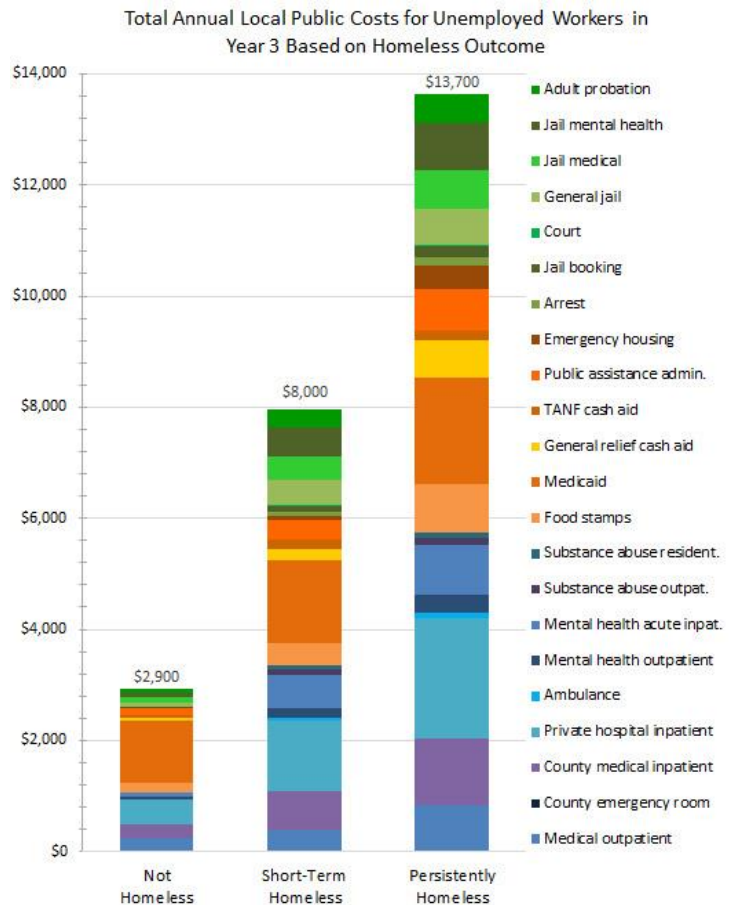


Figure 3. Public costs breakdown for unemployed workers based on homeless outcome<sup>4</sup>

<sup>24</sup> Flaming, Toros, and Burns. Home Not Found: The Cost of Homelessness in Silicon Valley. Economic Roundtable. 2015. [http://economicrt.org/wp-content/uploads/2015/05/Home\\_Not\\_Found\\_2015.pdf](http://economicrt.org/wp-content/uploads/2015/05/Home_Not_Found_2015.pdf)

<sup>25</sup> Toros, Flaming, and Burns. Early Intervention to Prevent Persistent Homelessness. Economic Roundtable. March 2019. <https://economicrt.org/publication/early-intervention-to-prevent-persistent-homelessness/>

<sup>26</sup> Flaming, Burns, and Matsunaga. Where We Sleep: Costs when Homeless and Housed in Los Angeles. Economic Roundtable. 2009. [http://economicrt.org/wp-content/uploads/2009/11/Where\\_We\\_Sleep\\_2009.pdf](http://economicrt.org/wp-content/uploads/2009/11/Where_We_Sleep_2009.pdf)

<sup>27</sup> Homelessness in Orange County: The Costs to Our Community. Snow and Goldberg. June 2017. <https://www.unitedwayoc.org/wp-content/uploads/2017/08/united-way-cost-study-homelessness-2017-report.pdf>

housing entry. Principles of Housing First can be applied to many interventions and as an overall community approach to addressing homelessness.

### *Housing First Principles*

- Homelessness is first and foremost a housing crisis and can be addressed through the provision of safe and affordable housing.
- All people experiencing homelessness, regardless of their housing history and duration of homelessness, can achieve housing stability in permanent housing. Some may need very little support for a brief period, while others may need more intensive and long-term supports.
- Everyone is “housing ready.” Sobriety, compliance in treatment, or even criminal histories are not necessary to succeed in housing. Rather, homelessness programs and housing providers must be “consumer ready.”
- Many people experience improvements in quality of life, in the areas of health, mental health, substance use, and employment, as a result of achieving housing.
- The exact configuration of housing and services depends upon the needs and preferences of the individuals served.

### *What type of housing is considered Housing First?*

Programs using Housing First generally fall into two categories:

**Supportive Housing**, which is a home—made affordable through long-term rental assistance, paired with intensive services promoting housing stability.

**Rapid re-housing**, which connects a family or individual to a home affordable through short-to medium-term rental assistance, along with moderate services designed to allow that household to increase their income sufficiently to be able to afford the apartment over the long-term.

### *Housing First is an evidence-based practice<sup>28</sup>.*

In 2020, researchers at UCSF conducted a randomized controlled trial studying the effectiveness of Housing First for people experiencing chronic homelessness and high utilization of county-funded emergency services. Of the 426 people identified for participation in this study, only 3 declined to participate. Of those who received the treatment, 86% were successfully housed and remained housed for the vast majority of the follow-up period (which averaged around three years) compared to 36% who did not receive treatment. Similarly, there was a sharp drop (38%) in utilization of emergency psychiatric services among the treatment group, corresponding to a rise in scheduled mental health visits.<sup>29,30</sup>

A 2019 study asking why families may exit and then return to homeless shelters found that structural factors such as subsidized housing program enrollment during a homeless episode play a significant role in reducing the risks of shelter exit and return.<sup>31</sup> A 2019 systematic review concluded that implementation of Housing First improved housing stability and is likely to reduce homelessness and non-routine health service use without an increase in problematic substance use.<sup>32</sup>

### *Who else employs Housing First principles?*

The federal government has shifted its focus to Housing First over the last decade, starting under the Bush administration, and housing programs financed by HUD utilize core components of this strategy. Since the

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<sup>28</sup> The Evidence on Housing First. NAEH. 2021. <https://endhomelessness.org/resource/data-visualization-the-evidence-on-housing-first/>

<sup>29</sup> A randomized trial of permanent supportive housing for chronically homeless persons with high use of publicly funded services. Raven, Niedzwiecki, and Kushel. September 2020. <https://doi.org/10.1111/1475-6773.13553>

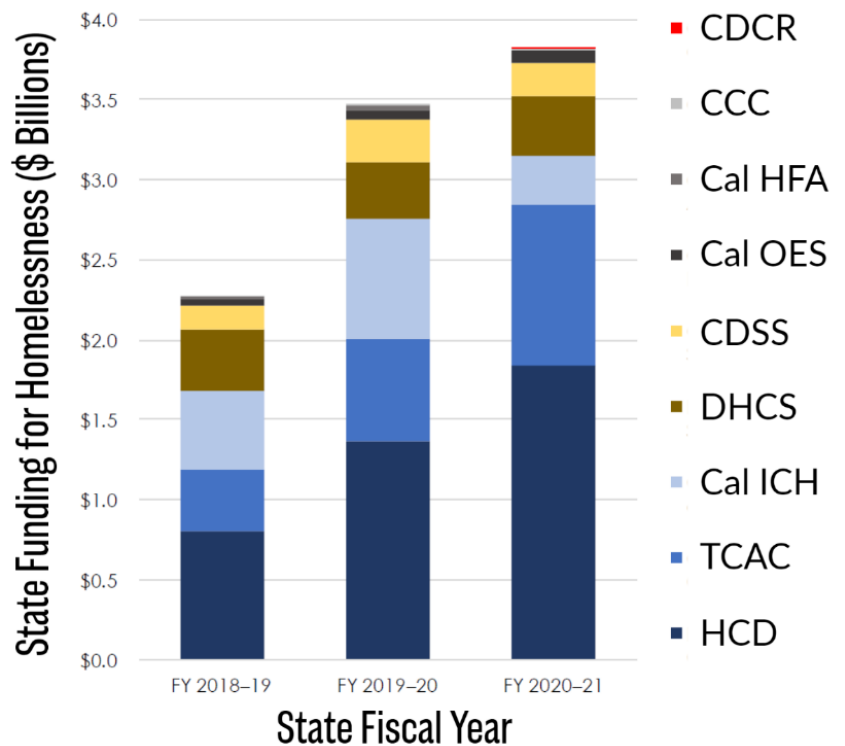
<sup>30</sup> Housing First is Not Housing Only. Resnikoff. October 2021. <https://homelessness.ucsf.edu/blog/housing-first-not-housing-only>

<sup>31</sup> Kim and Garcia. Why Do Homeless Families Exit and Return the Homeless Shelter? Factors Affecting the Risk of Family Homelessness in Salt Lake County (Utah, United States) As a Case Study. November 2019. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6888499/>

<sup>32</sup> Baxter AJ, et al. J Epidemiol Community Health 2019;73:379–387. doi:10.1136/jech-2018-210981

implementation of the Housing First model, chronic homelessness in the U.S. experienced a 27% decrease between 2010 and 2016.

In 2005, over 10 years before California, Utah implemented a statewide Housing First model prioritizing permanent, affordable housing to people experiencing homelessness without mandating participation or continuation in supportive services to receive or retain that housing. Housing First reduces the overall costs incurred when localities provide social services to people where they live, rather than allowing them to continue to cycle through jails, emergency rooms, and treatment centers. **Since its implementation, Utah has decreased its chronically homeless population from 1,932 in 2005 to 493 in 2019, a 74% decrease.** Using Utah as the model, Housing First was embraced by California in 2015 through SB 1380 (Mitchell, Chapter 847, Statutes of 2016) which requires all housing programs in the state to adopt this model.



### III. Responses to the Homelessness Crisis

Traditionally, homelessness responses in California were considered the responsibility of the federal and local governments (cities, counties, and CoCs). This included financing, land use policies, tenant protections, physical and behavioral health services, social services, and more. Within the past decade, the State began playing a more active role in the homelessness response—investing more heavily in prevention and response programs, streamlining the production of affordable housing, and coordinating across sectors.

#### Investments

California provides loans and grants to local and regional housing trust funds dedicated to the creation, rehabilitation, or preservation of affordable housing, interim housing, and emergency shelters. The State also has several longstanding homeless assistance programs that have been updated, expanded, and streamlined over the past decade or longer—many of which receive funds or supplement with funds from the federal government.

#### A New Era

Between Fiscal Years 2018–19 and 2020–21, California increased its investment in homelessness-focused programs by more than \$1.5 billion; between Fiscal Years 2018–19 and 2020–21, the state directed \$9.6 billion in homelessness-focused programs.<sup>33</sup> The state did so by funding, administering, and/or implementing 35 programs administered by nine state agencies and departments aimed at expanding access to housing, health, and social services for people experiencing or at risk of homelessness. The past decade of investments in social services, affordable housing, and homelessness responses under the purview of CalHFA, Cal-ICH, HCD, and CDSS are outlined below<sup>34</sup>.

<sup>33</sup> Statewide Homelessness Assessment. Cal-ICH. February 2023. [https://www.bcsa.ca.gov/calich/landscape\\_assessment/](https://www.bcsa.ca.gov/calich/landscape_assessment/)

<sup>34</sup> Homelessness response programs administered by California Community Colleges (CCC), the Department of Corrections and Rehabilitation (CDCR), the Governor’s Office of Emergency Services (Cal OES), and the Department of Health Care Services (DHCS) are not under the Senate Housing and Social Services Committees jurisdiction.



## NOTABLE RECENT INVESTMENTS AT HCD:

**Veterans Housing and Homeless Prevention (VHHP) Program** (Proposition 41, 2014) provides long-term loans for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families to allow veterans to access and maintain housing stability—prioritizing permanent supportive housing development<sup>35</sup>.

**Multifamily Housing Program (MHP)** funds low-interest, long-term deferred-payment loans for new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households<sup>36</sup>.

**Building Homes and Jobs Act** (SB 2, Atkins, Chapter 364, Statutes of 2017) established a permanent source of funding for the construction of affordable housing, homebuyer assistance, support for local planning documents, and housing for the homeless<sup>37</sup>.

**California Emergency Solutions and Housing (CESH)** provides grant funds to assist persons experiencing or at-risk of homelessness. This program receives funds from the Building Homes and Jobs Act Trust Fund<sup>38</sup> (SB 2, Atkins, Chapter 364, 2017).

**No Place Like Home (NPLH)** (Proposition 2, 2018) provides funding to counties to invest in the development of permanent supportive housing for persons who need mental health services and are experiencing homelessness, chronic homelessness, or at risk of chronic homelessness<sup>39</sup>.

**Homekey** provided funding to allow local public agencies to buy underused properties, mostly hotels and motels, and convert them into permanent supportive housing for people experiencing or at risk of homelessness. Homekey added 2,245 units of permanent supportive housing, 2,894 interim shelter units undergoing plans for conversion to permanent supportive housing, and 790 units that will remain interim shelter, almost all in under six months and at lower cost than typical affordable housing units<sup>40</sup>.

**Housing Accelerator** aims to reduce the backlog of projects “stuck” in the funding pipeline to accelerate the development of housing for those most in need. These funds are used to fill funding gaps in shovel-ready projects that have received funding under other HCD programs and have been unable to access low-income housing tax credits<sup>41</sup>.

## NOTABLE RECENT INVESTMENTS AT CAL-ICH:

**Homeless Emergency Aid Program (HEAP)** provided a one-time \$500M block grant funding to CoCs and large cities with a shelter crisis declaration for emergency assistance (homelessness prevention, criminal justice diversion, at-risk youth services, emergency aid, etc.) to people experiencing or at risk of homelessness.

**Homeless Housing, Assistance, and Prevention (HHAP) Grant Program** expanded on HEAP by providing a one-time \$650M block grant (Round 1) funding to CoCs, counties, and large cities with a set aside for tribal communities. HHAP funds support regional coordination and expand or develop local capacity to address their immediate homelessness challenges<sup>42</sup>.

**Family Homelessness Challenge (FHC)** provides technical assistance and competitive grants to local jurisdictions to promote rapid innovation, accelerate nascent programs, and expand promising

<sup>35</sup> VHHP Program. HCD. 2023. <https://www.hcd.ca.gov/grants-and-funding/programs-active/veterans-housing-and-homelessness-prevention>

<sup>36</sup> Multifamily Housing Program. HCD. 2023. <https://www.hcd.ca.gov/grants-and-funding/programs-active/multifamily-housing-program>

<sup>37</sup> SB-2. California Legislative Information. 2017. [https://leginfo.ca.gov/faces/billNavClient.xhtml?bill\\_id=201720180SB2](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB2)

<sup>38</sup> CESH. HCD. 2023. <https://www.hcd.ca.gov/grants-and-funding/programs-archived/california-emergency-solutions-and-housing>

<sup>39</sup> No Place Like Home Program. HCD. 2022. <https://emma.msrb.org/P11650528-P11271343-P11698789.pdf>

<sup>40</sup> Homekey. HCD. 2023. <https://www.hcd.ca.gov/grants-and-funding/homekey>

<sup>41</sup> California Housing Accelerator. HCD. 2023. <https://www.hcd.ca.gov/grants-and-funding/accelerator>

<sup>42</sup> Homeless Housing, Assistance, and Prevention (HHAP) Grant Program. BCSH. 2022. [https://bcsh.ca.gov/calich/hhap\\_program.html](https://bcsh.ca.gov/calich/hhap_program.html)

practices to create scalable solutions that can be shared across the state to address and ultimately end family homelessness<sup>43</sup>.

**Encampment Resolution Funding (ERF) Program** is a grant program available to assist local jurisdictions in ensuring the wellness and safety of people experiencing homelessness in encampments by providing services and supports that address their immediate physical and mental wellness and paths to safe and stable housing. Encampment resolution projects must be human centered, adhere to Housing First, and be scalable and replicable for diverse communities across the state<sup>44</sup>.

#### NOTABLE PROGRAMS AT CDSS:

The **Housing Support Program (HSP)** (SB 855, Chapter 29, Statutes of 2014) is a locally-administered program in which participating counties provide housing-related supports to eligible families experiencing, or at risk of, homelessness in the CalWORKs program and for whom housing instability would be a barrier to self-sufficiency or child well-being<sup>45</sup>. The program since its inception has assisted 30,500 families become permanent housed through July 2022.

The CalWORKs **Homeless Assistance (HA) Program** was established to help families in the CalWORKs program of CDSS meet the costs of securing or maintaining permanent housing or emergency shelter when experiencing homelessness. SB 1065 (Hertzberg, Chapter 152, Statutes 2020) expanded and streamlined the eligibility and administration of HA assistance impacting access to HA benefits<sup>46</sup>.

**Housing and Disability Advocacy Program (HDAP)** operates in 57 counties and with eight tribes and provides outreach, case management, benefits advocacy, SSI application assistance and housing support to individuals who are likely eligible for disability benefits and who are experiencing homelessness<sup>47</sup>.

**Bringing Families Home (BFH)** is a locally-administered program in which participating counties and tribes provide housing-related support to eligible families experiencing, or at risk of experiencing, homelessness in the child welfare system. Since the program launched in June 2022, over 3,900 families have been served by BFH, and over 2,000 families have been permanently housed<sup>48</sup>.

**Home Safe** assists clients of Adult Protective Services who are experiencing or are at imminent risk of homelessness due to elder or dependent adult abuse, neglect, self-neglect, or financial exploitation. The program provides technical assistance and helps individuals in securing and maintaining permanent housing as quickly as possible without preconditions. Currently, all 58 counties operate Home Safe programming<sup>49</sup>. As of June 2022, over 4,300 people have received assistance through the program.

**Project Roomkey** provided non-congregate shelter options, such as hotels and motels, for people experiencing homelessness, to protect human life, and to minimize strain on health care system capacity. Between March 2020 and October 2022, Project Roomkey secured over 16,000 rooms and sheltered over 61,000 individuals. This project is currently being phased out and will likely impact sheltering capacity<sup>50</sup>.

**Community Care Expansion (CCE)** was established by AB 172 (Committee on Budget, Chapter 69, Statutes of 2021) and is part of a statewide investment in infrastructure funding to address homelessness, support healthcare delivery reform, and strengthen the social safety net for individuals

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<sup>43</sup> Family Homelessness Challenge Grants and Technical Assistance Program. Cal-ICH. June 2022.

[https://bcsh.ca.gov/calich/documents/fhc\\_intent\\_to\\_award.pdf](https://bcsh.ca.gov/calich/documents/fhc_intent_to_award.pdf)

<sup>44</sup> Encampment Resolution Funding Program. BCSH. 2023. [https://www.bcsh.ca.gov/calich/erf\\_program.html](https://www.bcsh.ca.gov/calich/erf_program.html)

<sup>45</sup> CalWORKs Annual Summary. California Department of Social Services. November 2022.

<https://www.cdss.ca.gov/Portals/9/CalWORKs/CalWORKsAnnualSummaryNovember2022.pdf>

<sup>46</sup> Homeless Assistance. CDSS. 2023. <https://www.cdss.ca.gov/inforesources/cdss-programs/housing-programs/calworks-homeless-assistance>

<sup>47</sup> Housing and Disability Advocacy Program Fact Sheet. CDSS. 2023. [https://www.cdss.ca.gov/Portals/9/Housing/HDAP\\_FACTSHEET.pdf](https://www.cdss.ca.gov/Portals/9/Housing/HDAP_FACTSHEET.pdf)

<sup>48</sup> Bringing Families Home Fact Sheet. CDSS. 2023. <https://www.cdss.ca.gov/Portals/9/Housing/BringingFamiliesHomeFACTSHEET.pdf>

<sup>49</sup> Home Safe Program Fact Sheet. CDSS. 2022. <https://www.cdss.ca.gov/Portals/9/Housing/HomeSafeProgramFACTSHEET.pdf>

<sup>50</sup> Project Roomkey. CDSS. 2023. <https://www.cdss.ca.gov/inforesources/cdss-programs/housing-programs/project-roomkey>

who need Assisted Living level of care. CCE has two main focuses: (1) the CCE Capital Expansion Program which funds the acquisition, construction, and rehabilitation of residential care settings including funds to establish a capitalized operating subsidy reserves, and (2) the CCE Preservation Program intended to immediately preserve and prevent the closure of existing licensed residential adult and senior care facilities, including Residential Care Facilities for the Elderly, Adult Residential Facilities, or Residential Facilities for the Chronically Ill<sup>51</sup>.

#### NOTABLE PROGRAMS AT THE STATE TREASURER’S OFFICE:

**State Low Income Housing Tax Credit Program (LIHTC)**, which compliments the federal program, allows for tax credits to be awarded each year to the developers of affordable rental housing. The Tax credit Allocation Committee (CTCAC) within the State Treasurer’s Office allocates these tax credits to individual developments, and receives ongoing statutory funding.

**Private Activity Bonds.** Federal law also allows state and local governments to issue a defined amount of tax-exempt “private activity” bonds each year to facilitate private development, including the development of affordable housing. The California Debt Limit Allocation Committee (CDLAC) within the State Treasurer’s Office allocates this private activity bond authority in California. The primary beneficiary is affordable rental housing.

#### NOTABLE PROGRAM AT THE STRATEGIC GROWTH COUNCIL:

**Affordable Housing and Sustainable Communities (AHSC) Program** funds land use, housing, transportation, and land preservation projects to support infill and compact development that reduces greenhouse gas emissions. At least half of the funds must support affordable housing projects. The Legislature committed ongoing funding derived from the California Air Resources Board’s Cap-and-Trade Program.

#### Affordable Housing and Shelter Streamlining

Most housing projects that require discretionary review and approval are subject to review under the California Environmental Quality Act (CEQA), while projects permitted ministerially generally are not. Development opponents can appeal many individual decisions related to the CEQA review to the planning commission and to the city council or board of supervisors and litigation over approvals is also common. Some housing projects can be permitted by city or county planning staff ministerially or without further approval from elected officials. Projects reviewed ministerially and without a conditional use permit (*i.e.*, “by right”) require only an administrative review designed to ensure they are consistent with existing general plan and zoning rules, as well as meet standards for building quality, health, and safety. Most large housing projects are not allowed ministerial review. Instead, these projects are vetted through both public hearings and administrative review. Housing streamlining provides more certainty as to what is required for permitting approval, and generally also requires approval within specified timelines. This certainty and shortened approval timelines are particularly beneficial to affordable housing developers seeking funding from multiple federal, state, and local public funding sources. Below is a summary of streamlined approvals or CEQA exemptions available to affordable housing and homeless shelter projects:

**SB 1925** (Sher, Chapter 1039, Statutes of 2002). Established CEQA exemptions for certain residential projects providing affordable housing. This is known as the Affordable Housing Exemption.

**SB 2** (Cedillo, Chapter 633, Statutes of 2007). Requires cities and counties to accommodate their need for emergency shelters on sites where the use is by-right, and requires cities and counties to treat transitional and supportive housing projects as a residential use of property. **AB 2339** (Bloom, Chapter 654, Statutes of 2022). Clarified the standards that can be applied to shelters, required by-right shelters in zones that allow residential uses, including mixed use, and requires shelters to include sites that can accommodate a shelter.

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<sup>51</sup> Community Care Expansion Program. CDSS. 2022. <https://www.cdss.ca.gov/inforesources/cdss-programs/community-care-expansion>

**AB 1397** (Low, Chapter 375, Statutes of 2017). Prohibits a nonvacant site identified in a prior housing element and a vacant site that has been included in two or more consecutive planning periods and that was not approved to develop a portion of the locality’s housing need from being adequate to accommodate a portion of the housing need for lower income households unless the site allows residential use by right for housing developments in which at least 20% of the units are affordable to lower-income households.

**SB 35** (Wiener, Chapter 366, Statutes of 2017). Establishes a ministerial approval process not subject to CEQA for certain multifamily housing projects that are proposed in local jurisdictions that have not met regional housing needs.

**AB 2162** (Chiu, Chapter 753, Statutes 2018). Provides that supportive housing shall be a use by right in all zones where multifamily and mixed uses are allowed. SB 744 (Caballero, Chapter 346, Statutes of 2019) made changes to AB 2162 and created a California Environmental Quality Act exemption for developments that qualify for No Place Like Home funding.

**AB 101** (Committee on Budget, Chapter 159, Statutes of 2019). Until January 1, 2027, requires low barrier navigation center developments to be a use by-right, as defined, in areas zoned for mixed uses and nonresidential zones permitting multifamily uses if the development meets certain requirements.

**SB 450** (Umberg, Chapter 344, Statutes of 2019). Exempts, until January 1, 2025, interim motel housing projects from the requirements of CEQA.

**AB 83** (Committee on Budget, Chapter 15, Statutes of 2020). Provides a CEQA exemption for Project Roomkey and Homekey projects, if certain requirements are satisfied.

## State Coordination

In 2016, the Legislature passed **SB 1380** (Mitchell, Chapter 847), which established the Homelessness Coordinating and Financing Council housed within the Business, Consumer Services, and Housing (BCSH) Agency. The goal of the bill was to create one entity to oversee the implementation of Housing First policies, coordinate all state agencies with homelessness programs, and reduce the prevalence of and duration of homelessness in California. **AB 1220** (Luz Rivas, Chapter 398, Statutes of 2021) later renamed the HCFC as the Interagency Council on Homelessness (Cal-ICH), reconstituted its membership to include the Secretary of the Health and Human Services Agency as co-chair with the BCSH Secretary, and required it to consult with a specified advisory group of stakeholders. That same year, **AB 140** (Committee on Budget, Chapter 111) required the Cal-ICH to conduct a statewide homelessness landscape assessment.<sup>52</sup> Additionally, **SB 918** (Wiener, Chapter 841, Statutes of 2018) required Cal ICH to set and measure progress toward goals to prevent and end homelessness among youth in California. These changes signified a broadened state focus on prevention and early intervention through the use of targeted services and supports specifically for this population.

## Cal-ICH Statutory Goals<sup>53</sup>

1. To identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California.
2. To create partnerships among state agencies and departments, local government agencies, participants in specified federal homelessness programs, nonprofits, homeless services providers, and the private sector, for the purpose of arriving at specific strategies to end homelessness and coordinating existing funding.
3. To promote systems integration to increase efficiency and effectiveness and create a statewide data system.

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<sup>52</sup> About the Cal-ICH. BCSH. 2023. <https://bcsh.ca.gov/calich/mission.html><https://bcsh.ca.gov/calich/mission.html>

<sup>53</sup> Simplified changes from AB 1220 (Luz Rivas, Chapter 398, 2021). California Legislative Information. 2021. [https://leginfo.ca.gov/faces/billNavClient.xhtml?bill\\_id=202120220AB1220](https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB1220)

4. To broker agreements between state agencies and departments and between state agencies and departments and local jurisdictions to align and coordinate resources, reduce administrative burdens of accessing existing resources, and foster common applications for services, operating, and capital funding.
5. To serve as a statewide facilitator, coordinator, and policy development resource on ending homelessness in California.
6. To ensure accountability and results in meeting the strategies and goals of the council.
7. To identify and implement strategies to fight homelessness in small communities and rural areas.
8. To set goals to prevent and end homelessness among California’s youth; increase system integration and coordinating efforts to prevent homeless youth in child welfare or juvenile justice systems; and lead efforts to coordinate funding, policies and practices related to homeless youth.

Cal-ICH Action Plan for Preventing and Ending Homelessness in California<sup>54</sup>

(Updated and adopted in Sep. 2022)

*Action Areas*

Cal-ICH identified five primary Action Areas for the Council to focus on. Each action area is associated with specific objectives (18 total) intended to advance Cal-ICH goals of solving the state’s homelessness crisis.

- Action Area 1.** Strengthening our systems to better prevent and end homelessness in California
- Action Area 2.** Equitably addressing the health, safety, and services needs of Californians experiencing unsheltered homelessness
- Action Area 3.** Expanding communities’ capacity to provide safe and effective sheltering and interim housing
- Action Area 4.** Expanding and ensuring equitable access to permanent housing in our communities
- Action Area 5.** Preventing Californians from experiencing the crisis of homelessness

*Defining and Measuring Progress*

The Cal-ICH identified eight key outcomes to measure progress. These outcomes are reported within the Cal-ICH annual progress report.

1	2	3	4
Number of Californians experiencing sheltered and unsheltered homelessness at a point in time, including veterans, families with children, adults, unaccompanied youth, and people experiencing chronic homelessness.	Number of CoCs in California reporting increases versus decreases in the number of people experiencing sheltered and unsheltered homelessness at a point in time.	Number of people spending time in emergency shelter and transitional housing in California annually, including veterans, families with children, adults, unaccompanied youth, and people experiencing chronic homelessness.	Number of children and youth experiencing homelessness at some point during the school year in California, including students in families and unaccompanied students.
5	6	7	8
Number of Californians returning to homelessness each year.	Number of Californians successfully exiting homelessness each year.	Number of Californians experiencing homelessness for the first time each year.	Comparison of California’s performance across these measures and data points to national and regional trends.

<sup>54</sup> Action Plan for Preventing and Ending Homelessness in California. Cal-ICH. 2022. [https://www.bcsd.ca.gov/calich/action\\_plan.html](https://www.bcsd.ca.gov/calich/action_plan.html)





## Working Groups

To make progress in each Action Area, five working groups (WG) were formed to implement the Action Plan. Each working group is composed of State staff members and advised by external stakeholders and partners. Each WG will be charged with addressing racial inequities and with tailoring solutions and strategies for different populations of people experiencing homelessness. The WGs will develop priorities, implementation plans, and measures to guide their actions. They will assess the implementation and impacts of their efforts, and regularly report back on their efforts and progress through the quarterly Council meetings.

1. **State Funding and Programs WG** is focused on maximizing impact of state funding and programs on homelessness.
2. **Racial Equity WG** is focused on racial equity in responses to homelessness and housing instability.
3. **Youth and Young Adults WG** is focused on tailoring strategies for preventing and ending homelessness for youth and young adults.
4. **Employment WG** is focused on strengthening employment opportunities and outcomes for people with experiences of homelessness.
5. **Transitions/Re-entry WG** is focused on racial equity in responses to homelessness and housing instability.

## Questions and Future Directions

- What are the barriers the state experiences in solving homelessness? What are the barriers local governments experience in solving homelessness?
- What does state coordination look like between state departments and agencies tasked with implementing homelessness programs? How do housing programs work with services-related programs?
- What is or should be the state's role in solving the homelessness crisis? What is or should be local governments' roles in solving the homelessness crisis?
- For each housing assistance program implemented by the state, where is all the homelessness funding is going (*i.e.* permanent housing, shelters, rental assistance)? How many are served by each program? What are recipients' housing exits (*i.e.* percentage of recipients exiting to permanent housing and existing back to the street)? What is the average length of stay in interim housing before getting to permanent housing?
- What has the state discovered during the pandemic either from Project RoomKey or other funding infusions that will change their strategies going forward?
- Just as Veteran Homelessness has decreased with targeted services and support, what other at-risk or high-risk populations should the state's focus turn to next? Should the state strategy for providing services vary for different population or should a combination of multiple strategies be used— *e.g.* prevention, rent stabilization, rapid rehousing or permanent supportive housing?
- In what tangible ways are state and local governments working to dismantle systems that have historically marginalized and discriminated against populations that are over-represented in the homeless population?
- How can data collection be coordinated across the fields of homelessness, housing, and human services?
- What does progress in solving and ending homelessness mean to the state? How does the legislature ensure accountability at the state and local level?

- What programs, services or policies are working? How do we know? Can they be successful, long-term solutions?
- What programs, services or policies aren't working?
- What are the goals set by the state action plan adopted by CA ICH in 2021? What did the plan require and has the state achieved its goals? What comes next?
- How is Cal-ICH meeting its statutory obligations? What is the status of Housing First implementation?

## Additional Resources

### *Homelessness and Housing First*

- [NAEH SOH: State and CoC Dashboards](#) – The National Alliance to End Homelessness provides an interactive map that provides information about the state of homelessness—including gender and racial demographics—can be viewed for the last 10 years by CoC and the state.
- [USICH's Housing First Checklist](#) - An easy-to-use tool for policymakers and practitioners to identify and assess whether a program or community is using a Housing First approach. This three-page tool breaks down the Housing First approach into distinguishing components at both the program and community levels.
- [Housing First in USICH's Solutions Database](#) – A description of Housing First along with links to examples and resources from USICH's Solutions Database.
- [The Housing First Fidelity model index](#) – In the April 2013 edition of Substance Abuse Treatment, Prevention, and Policy, Watson and colleagues (2013) discuss the development and testing of their Housing First Fidelity instrument. The study finds that the instrument is effective in assessing the quality of Housing First programs and for making implementation decisions.
- [Organizational Change: Adopting a Housing First Approach](#) – The National Alliance to End Homelessness' toolkit on adopting Housing First as a community-wide strategy.
- [Pathways to Housing - Housing First Model](#) – Pathways to Housing produced a step-by-step manual presents a comprehensive guide to Pathways to Housing's Housing First approach.
- [DESC's Seven Standards of Housing First](#) – Seattle-based Downtown Emergency Service Center has identified seven standards essential to their Housing First approach.
- [Unlocking the Door: An Implementation Evaluation of Supportive Housing for Active Substance Users in New York City](#) – The National Center on Addiction and Substance Abuse at Columbia University and the Corporation for Supportive Housing evaluated the implementation of nine scattered-site Housing First permanent supportive housing programs serving approximately 500 people experiencing chronic homelessness with active substance abuse disorders in New York City. The report concludes with useful lessons for what is critical to implementing a Housing First permanent supportive housing model. A full impact evaluation of these programs will be completed later in 2013. Preliminary findings indicate that the programs were successful in helping people exit homelessness, remain stably housed, and reduce their use of emergency services.

### *Housing Market, Production, and Needs*

- [HCD Housing Open Data Tools](#) – HCD provides 20 different tools for learning about and tracking progress on homelessness and the planning and construction of safe, affordable homes.
- [CHPC Housing Needs Dashboard](#) – The California Housing Partnership dashboard provides reports and comparisons of affordable housing need in every county in California, indicators of the state's housing market conditions, federal and state funding levels for affordable housing, and multifamily housing production and preservation trends.
- [CAR Interactive Dashboard](#) – The California Association of Realtors provides interactive tools to explore the California housing supply, affordable housing inventory, and home pricing fundamentals and sustainability by city, county, or region.