March 24, 2021 (Updated Letter to Reflect Additional Support)

The Honorable Nancy Skinner, Chair
Senate Committee on Budget & Fiscal Review
State Capitol, Room 6026
Sacramento, CA 95814

The Honorable Phil Ting, Chair
Assembly Committee on Budget
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Anna Caballero, Chair
Senate Budget Subcommittee #4
State Capitol, Room 5052
Sacramento, CA 95814

The Honorable Wendy Carrillo, Chair
Assembly Budget Subcommittee #4
State Capitol, Room 4167
Sacramento, CA 95814

The Honorable Joaquin Arambula
Chair, Assembly Budget Subcommittee #1
California State Assembly
State Capitol, Room 5155
Sacramento, CA 95814

The Honorable Susan Talamantes Eggman
Chair, Senate Budget Subcommittee #3
California State Senate
State Capitol, Room 4052
Sacramento, CA 95814

RE: Ongoing State Funding to Reverse the Cycle of Homelessness

Dear Chairs Skinner, Ting, Caballero, Carrillo, Arambula, and Eggman:
On behalf of a statewide coalition called Bring California Home, the undersigned organizations are writing to request ongoing funding of $2.4 billion to put the state on a course for ending homelessness. This funding will transform California’s response to homelessness, hold local governments accountable for reductions in homelessness, and avoid costs associated with the state’s currently ineffective response.

Increasing rates of homelessness throughout the State. California leads the nation with the highest homeless population, the highest rate of chronic homelessness, and the largest populations of youth and veterans experiencing homelessness in the nation. With 161,548 people experiencing homelessness at any given night, California is home to a quarter of the nation’s entire homeless population, despite being home to only 12% of the nation’s population. Moreover, the COVID-19 pandemic has worsened our homelessness crisis by putting hundreds of thousands of Californians into financial distress, and either on the brink of or experiencing homelessness. It has also endangered the health and wellbeing of those experiencing homelessness, and depleted local resources. Even before COVID-19, over 1,000 people experiencing homelessness died each year, just in Los Angeles, from causes attributable to homelessness. People experiencing homelessness were over four times more likely to die from coronary heart disease, over 17 times more likely to die from a transportation-related injury, and over 36 times more likely to die from a drug overdose, as housed residents.

One-time funding does not meet the scale of the need or voters’ expectations. California has no statewide strategy nor any long-term funding targeted to ending homelessness. That needs to change. Despite polling showing that combatting homelessness has been voters’ top priority for the last few years, the state’s investment in solving our crisis has never exceeded more than 0.5% of the state’s total budget.

None of the state’s recent one-year programs have made the level of progress we need to reduce the number of people falling into and experiencing homelessness significantly. While the state’s investments have helped local governments shelter tens of thousands of people and thwart more dramatic increases in homelessness, one-time investment, by its nature, narrows practical uses, preventing a comprehensive response. It taxes local governments to create administrative structures, complete complex applications year after year, and creatively combine funding sources with different, often inconsistent requirements. And one-time funding prevents service providers from being able to scale their staffing and organizational capacity to offer consistent, maximum capacity to move more people into housing.

One-time funding also limits the state’s ability to hold local governments accountable for lasting results, and frustrates budget committees that have to make new funding appropriations before last year’s investments have been allocated. Experience in other policy areas clearly shows us that steady progress is only possible when governments plan well, fund sufficiently, and track outcomes consistently. California’s leadership on greenhouse gas emissions and renewable energy are two of many examples of this approach’s success.

For these reasons, the Legislative Analyst’s Office stated on February 5th, in response to the Governor’s proposal for one-time funding, “[A] clear, long-term strategy would make it more likely that the state’s investments would have a meaningful, ongoing impact on its housing and homelessness challenges” than
one-time funding. And a recent State Auditor’s report indicates the fragmented response of multiple one-time programs has prevented progress on this issue.

**Ongoing revenue scaled to meet the need, and invested in proven solutions dramatically reduces homelessness.** Other states have succeeded in significantly reducing homelessness through state investment in targeted, effective interventions, including New Jersey and Michigan. Federal and state funding for comprehensive, evidence-based strategies to house veterans experiencing homelessness reduced homelessness among veterans by almost 40% over the last 10 years nationally and in California, even while homelessness among other Californians increased. Thirty years of studies shows providing people experiencing homelessness with housing and services reduces homelessness and leads to decreases in hospital and nursing home admissions, recidivism to jails and prisons, and foster care placement among individuals and families getting housed.

**The budget can drive a comprehensive strategy through a “Bring California Home Act” that would:**

✔ Generate $2.4 billion in new revenue that will free up General Fund dollars currently spent on nursing home and hospital admissions, emergency room visits, and other Medi-Cal costs, prison and juvenile justice costs, child welfare costs, and more.

✔ Hold the state and local governments accountable for spending on evidence-based approaches to ending and preventing homelessness: permanently-affordable homes, rental assistance, and services to help people access housing stability.

✔ Change the state’s current approaches to local grants by setting, measuring, and reporting quantifiable outcomes. One such outcome would be reductions in racial disparities that result in Black and Indigenous residents vastly over representing—by almost 7 times the general population—Californians experiencing homelessness.

✔ Evaluate to make the program more effective through legislative changes.

✔ Foster collaboration between local governments and the state.

✔ Set aside 10% of funding to promote the needs of unaccompanied homeless youth, which account for 10% of California’s homeless population, using developmentally appropriate services and housing interventions.

✔ Make California more competitive for small and mid-sized businesses by addressing quality of life issues, like risk of homelessness among low-wage workers, and Californians with nowhere to sleep other than doorways and sidewalks near storefronts.

To generate $2.4 billion per year, we propose restoring the 1986 corporate tax rate for the corporations with profits of $5 million or more from business in the state. This increase would only impact 500 California businesses—one out of every 3,000+ businesses. *Regardless of where a corporation is located,* this higher rate would apply to corporations doing business in California. Our proposal would also generate revenue by conforming to federal law that taxes multinational corporations that shift their profits overseas. Neither tax measure will touch small or medium-sized businesses, most responsible for recent economic growth, or businesses that are suffering during the pandemic. Moreover, because our corporate tax rate applies to corporations anywhere in the world, not just in California, our proposal would have no impact on where a corporation chooses to headquarter.
Your committees can alternatively allocate $2.4 billion per year to reverse the cycle of homelessness through General Fund allocations. Whether through identified revenue sources or the General Fund, or a combination thereof, we request ongoing funding of $2.4 billion per year to “bring California home,” and enact the comprehensive, strategic plan the Legislative Analyst’s Office, the Governor’s Council of Regional Homeless Advisors, and the State Auditor have recommended.

Eighty-five percent of Californians identify homelessness as one of the most important issues facing California. They are counting on all of us as elected, non-profit, and public sector leaders to take dramatic steps to solve homelessness. And that’s why our diverse coalition, over 150 strong, has come together to ask you to put the state on the path toward solving it. We urge your consideration of this critical budget proposal.

Sincerely,

Sponsoring Organizations

Mayor Eric Garcetti
City of Los Angeles

Mayor Libby Schaaf
City of Oakland

Supervisor Hilda Solis
Los Angeles County

Tomiquia Moss
All Home

Bill Pickel
Brilliant Corners

Sharon Rapport
Corporation for Supportive Housing

Beth Stokes
Episcopal Community Services-San Francisco

Veronica Lewis
HOPICS

Christopher Martin
Housing California

Amy Lemley
John Burton Advocates for Youth

Heidi Marston
Los Angeles Homeless Services Authority

Christina Miller
National Alliance to End Homelessness

Amie Fishman
Non-Profit Housing Association of N. California

Julie Snyder
Steinberg Institute
Tommy Newman
United Way of Greater Los Angeles

Supporting Organizations

Aieste Star Foundation
Alexandria House
Ascensia
Architects Collective
Bay Area Community Services
Bend the Arc
Bet Tzedek
Bill Wilson Center
Build Affordable Better/TODCO
California Alliance of Caregivers
California Association of Local Housing Finance Agencies
California Association of Student Councils
California Council of Community Behavioral Health Agencies
California Partnership to End Domestic Violence
Casa de Amparo
CAST Los Angeles
Children Now
Coalition for Responsible Community Development
Coalition on Homelessness, San Francisco
Community Action Marin
Community Clinic Association of Los Angeles
Community Economics, Inc.
Community Forward SF
Community Resource Center
Compass Family Services
Covid-19 Dental Task Force
David & Margaret Youth and Family Services
Daylight Community Development
Destination: Home
Dolores Street Community Services
Downtown Women's Center
East Bay for Everyone
East Bay Housing Organizations
ElderFocus
Ensuring Opportunity - Richmond Community Foundation
Family Violence Law Center
Fathers and Mothers Who Care
First Place for Youth
First to Serve, Inc.
Funders Together to End Homelessness San Diego
GLIDE
Good Seed Community Development Corporation
Good Shepherd Center
Hathaway–Sycamores Child & Family Services
Homebase
Hope Solutions
Housing is a Human Right Orange County
Housing Tools
Hub for Urban Initiatives
Interface Children & Family Services
Interfaith Community Services
IRMSlovakia
Jovenes, Inc.
Justice in Aging
LA Family Housing
Larkin Street Youth Services
LavaMae
Lens Collective LLC
LISC
Los Angeles County Department of Health Services
LYRIC
Many Mansions
Mary Elizabeth Inn
Mission Neighborhood Resource Center / Mission Neighborhood Health Center
Morgavero Architects, Inc.
Multi-Faith Action Coalition
Mutual Housing California
Napa County Democratic Central Committee
National Center for Youth Law
National Lawyers Guild – SF Bay Area
New Life Global Development Corporation
Operation Checks and Balances – Indivisible
Pasadena City College - EOPS and Foster Youth Programs
PATH/PATH Ventures
People’s Budget Orange County Coalition
Public Counsel
Public Law Center
Rainbow Services
Regional Task Force on the Homeless (RTFH) San Diego
Rural Community Assistance Corporation
Sacramento Regional Coalition to End Homelessness
Sacramento Housing Alliance
Safe Place for Youth
San Francisco Bay Area Planning and Urban Research
Self-Help Enterprises
Serving Seniors
Shelter Partnership, Inc.
Sherman Oaks Neighborhood Council
Skid Row Housing Trust
South County Homelessness Task Force
South LA Cafe
Southern California Association of Nonprofit Housing (SCANPH)
St. Joseph Center
Stone Energy Associates
Stopping Pressure on Teens
Swords to Plowshares
Tahoe Youth Family Services
Temple Beth Hillel
Tenderloin Neighborhood Development Corp.
United States Vets Homeless Feeding & Housing Services
Union Station Homeless Services
University of Laverne
VOICES Napa
Wakeland Housing
Women of Temple Beth Hillel
Women's Empowerment
Women’s Foundation of California
46 Individuals