



March 6, 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, 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
Supervisors



Eric Garcetti
Mayor, City of Los Angeles



Heidi Marston
Interim Director, Los Angeles Homeless
Services Authority



Ky Le
Director, Office of Supportive Housing,
County of Santa Clara



London Breed
Mayor, City & County of San Francisco



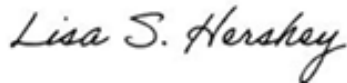
Sam Liccardo
Mayor, City of San Jose



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



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





CENTRO LEGAL
DE LA RAZA



CENTURY



Chinatown Community
Development Center
華協中心



CLIFFORD
BEERS
HOUSING



Community
Economics
a nonprofit corporation



community
housing
partnership



Community
HousingWorks



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