



Governor Newsom Previews \$1 Billion in Budget Proposal to Jump-Start New Homeless Fund and Provide Behavioral Health Services, Signs Order to Accelerate State Action to Fight Homelessness

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Governor announces the creation of new California Access to Housing and Services Fund in executive order, previews his 2020-21 Governor's Budget with more than \$1 billion to fight homelessness, including \$750 million for this new Fund, and a major new investment to reform Medi-Cal so that health providers transform health care to deliver integrated physical and behavioral health

Executive order requires state agencies to take urgent and immediate action by January 31, 2020 to make available state properties and facilities to rapidly increase housing and shelter options

Immediately makes available a supply of 100 camp trailers that can be used as temporary housing – coupled with mobile health and social services clinics – to be deployed across the state to communities in need, and makes available state crisis response teams to assist local communities in utilizing state resources to aid in local efforts

Executive order requires the state and local governments to develop accountability metrics and publicly release updates on progress toward measurable goals regarding moving people out of dangerous encampments and into more healthy, stable housing situations

Governor also announces that the state made the full \$650 million in emergency homelessness aid available to cities and counties from the 2019-20 State Budget

SACRAMENTO – As a national homelessness crisis spreads across the West Coast and cities across the country, Governor Gavin Newsom is continuing his Administration's comprehensive response to the crisis through a combination of new accountability measures, unprecedented proposed new resources, and an executive order to significantly reduce and prevent street homelessness, connect people to services and build housing faster.

Later this week, Governor Newsom will unveil his Administration's 2020-21 State Budget proposal. Chief among the new proposals will be a new, multi-pronged offensive to combat homelessness and address behavioral health needs across the state that in part fuel street homelessness, including \$750 million in a new California Access to Housing and Services Fund.

The Governor also announced signing an [executive order](#) today as part of a comprehensive state response to homelessness, including the creation of the California Access to Housing and Services Fund, availability of state land assets, and standing-up of a state crisis response team. The Governor is focused on prevention and early intervention; moving people off the streets and providing them services; and on creating new temporary housing to effectively reduce street homelessness. This comprehensive response requires shared responsibility and accountability by state and local government partners.

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The state is leading with resources and technical assistance, all while acknowledging that local government leaders are critical to implementing homelessness solutions in their own communities. Metrics-based accountability is central to both the new California Access to Housing and Services Fund, as well as the assets made available through the executive order. In order to access the full spectrum of funding and facilities, local governments and service partners will need to demonstrate concrete progress toward measurable goals regarding moving people out of dangerous encampments and into more healthy, stable housing situations.

“The State of California is treating homelessness as a real emergency – because it is one. Californians are demanding that all levels of government – federal, state and local – do more to get people off the streets and into services – whether that’s housing, mental health services, substance abuse treatment or all of the above,” said Governor Newsom. “That’s why we’re using every tool in the toolbox – from proposing a massive new infusion of state dollars in the budget that goes directly to homeless individuals’ emergency housing and treatment programs, to building short-term emergency housing on vacant state-owned land.”

Many of the new proposals have been inspired by the work of Governor Newsom’s Council of Regional Homeless Advisors, co-chaired by Sacramento Mayor Darrell Steinberg and Supervisor Mark Ridley-Thomas of Los Angeles County. The Governor appreciates the Council’s commitment to proposing recommendations to address the homelessness crisis and looks forward to reviewing their full report in the coming weeks.

Today’s steps augment previous actions by the Governor and implement a comprehensive crisis response strategy. In his first year in office, Governor Newsom fast-tracked shelter construction by removing regulatory barriers and streamlining Caltrans property availability, as well as securing passage of \$650 million of emergency homelessness aid to cities and counties, as part of a \$1 billion package to address homelessness and mental health. Today, cities, counties and continuums of care will receive their final allocations of this direct emergency aid. Full allocations can be found [here](#). This year, through the 2020-21 State Budget, his administration is proposing more than \$1 billion of new, direct initiatives that create housing opportunities for homeless individuals and provide treatment and other supportive services to people in need. Additionally, the Department of Social Services will be awarding funding to eligible counties to reduce homelessness among families receiving child welfare services.

2020-21 State Budget Proposal Investments to Tackle Homelessness

Key elements of Governor Newsom’s homelessness & mental health budget proposal:

- \$750 million fund to get individuals off streets and into supportive services quickly. More homeless infrastructure is being built, but the state still has a severe shortage of affordable and supportive housing units. The budget includes the creation of a California Access to Housing and Services Fund in the state Department of Social Services (DSS) to (a) pay rent for individuals facing homelessness; (b) support regions to bring on more dwelling units and (c) to help stabilize board and care facilities/homes. Unlike other state efforts, this money will go directly to service providers. The Governor proposes to seed this new fund with \$750 million in new one-time General fund, and calls on philanthropy and the private sector to step up as well.
- Transform Medi-Cal. The Budget includes \$695 million (including federal funds) growing to \$1.4 billion by 2022 for an effort to transform Medi-Cal to boost preventative health care that brings down the cost of health care – all designed to pull down matching federal funds to do so. This expansion proposal formerly known as CalAIM and now called Medi-Cal Healthier California for All, would specifically address many challenges of chronically unsheltered populations – providing funding for tenancy support services, housing navigation services, recuperative care, and could include targeted rental assistance if housing insecurity is tied to inappropriately high utilization of costly health care services. This reform will also change how counties operate behavioral health services, making them more closely integrated and

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act more like physical health services. Funding accounts for half of year one when the waiver begins plus a full year of funding in the next budget year.

- Community Care Collaborative Pilot (CCCP). The budget includes \$24.6 million in 2020-21 and \$364.2 million over 6-years for the Department of State Hospitals to implement efforts in three pilot counties to place individuals with mental health needs, specifically those designated Incompetent to Stand Trial, into stable placements in the community instead of state hospital placements.

Other actions:

- Root Causes of California Homelessness Study. The California Health and Human Services Agency, alongside academic researchers at UCSF and CA Policy Lab, are conducting a comprehensive, data-driven study to better understand the root causes of homelessness and more fully understand the situation in California. This will be a first-in-the-state interview survey that will look to better understand the needs of individuals who are experiencing homelessness across the state.
- Enforcing mental health parity. The Administration will work with health plans, providers, patient representatives, and other parties to update and strengthen enforcement of mental health parity laws, focusing on timely access to treatment, network adequacy, benefit design and plan policies.
- Behavioral Health Task Force and Prop 63 review. The Administration is establishing a Behavioral Health Task Force that will bring together relevant state departments, counties, advocates, health plans, providers, and other stakeholders to review existing policies and programs and coordinate system changes to prevent and respond to the impacts of mental illness and substance abuse in California. The Administration will consider updates to the Mental Health Services Act (Prop. 63) to serve persons with mental illness who are experiencing homeless, justice-involved populations and early intervention of children. The Administration will submit a proposal in Spring 2020 regarding Prop. 63's proposed reforms, which may include new metrics to track local governments' use of these resources, namely the number of people served and the efficacy of spending.

Executive Action to Address the Homelessness Crisis

- Immediately establish the California Access to Housing and Services Fund. The Fund will receive future state appropriations, as well as donations from philanthropy and the private sector, to provide much needed dollars for additional affordable housing units, providing rental and operating subsidies, and stabilizing board and care homes.
- Identify state-owned land to temporarily house the homeless. The Governor will task the Department of General Services with identifying properties from the digitized inventory of excess state lands created by EO N-06-19 that can be used by local partners, including counties, cities, or non-profit agencies, on a short-term emergency basis to house individuals who are homeless, so long as such usage does not delay affordable housing development.
- Caltrans will be similarly tasked to share a model lease template to allow local partners to use Caltrans property adjacent to highways or state roads in those jurisdictions on a short-term emergency basis to house individuals who are homeless, building on recent partnerships with the cities of Los Angeles, San Jose and San Francisco.
- The Office of Statewide Health Planning and Development will be directed to work with local jurisdictions and provide entities to conduct an initial assessment of vacant and decommissioned hospitals and health care

facilities that can be used by local partners on a short-term emergency basis to house the homeless.

- The California Department of Food and Agriculture, in consultation with the Department of Housing and Community Development, the Department of Social Services and the Office of Emergency Services, will be directed to conduct an initial assessment of fairgrounds near jurisdictions where a shelter crisis is in effect.
- Stand up temporary camp trailers from the state fleet. The Governor will direct the Department of General Services to supply 100 camp trailers from the state fleet, and the Emergency Medical Services Authority to deploy modular tent structures, to provide temporary housing and delivery of health and social services across the state. These trailers will be made available to local partners to operate where certain criteria are met.
- Establish a multi-agency state crisis response team. The Governor will create a state crisis response team to assist local governments in addressing street homelessness, comprised of the Homeless Coordinating and Financing Council, the Business, Consumer Services, and Housing Agency; the Government Operations Agency; the Health and Human Services Agency; the Labor and Workforce Development Agency; and the State Transportation Agency. The strike team shall provide technical assistance and targeted direct support to counties, cities, and public transit agencies seeking to bring individuals experiencing homelessness indoors, and support those entities in bringing those individuals indoors and connecting them with appropriate health, human, and social services and benefits.

In September of last year, the Governor signed 13 bills into law to help confront the homelessness crisis and others to fuel new housing development. That same month, Governor Newsom called on the Trump administration to increase federal investments in housing options for people experiencing homelessness and requested 50,000 additional Housing Choice Vouchers (HCVs) and Veterans Affairs Supportive Housing (VASH) vouchers. In July, Governor Newsom announced regional leaders and statewide experts who will advise his Administration on solutions to address the state's homelessness epidemic.

Governor Newsom has also released hundreds of millions of dollars in State Emergency Homeless Aid and issued a challenge for cities and counties to partner with the state on immediate impact solutions to tackle homelessness.

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