



City of Arts & Innovation

Housing and Homelessness Committee Memorandum

TO: HOUSING AND HOMELESSNESS COMMITTEE MEMBERS DATE: AUGUST 23, 2021

FROM: OFFICE OF HOMELESS SOLUTIONS WARD: ALL

SUBJECT: UPDATE ON FUNDING FOR HOUSING AND HOMELESSNESS PROGRAMS RECENTLY APPROVED IN THE STATE BUDGET

ISSUE:

Receive an update on State funding for housing and homelessness programs recently approved in the annual budget.

RECOMMENDATION:

That the Committee receive and file an update on funding for housing and homelessness recently approved in the State budget.

BACKGROUND:

At the July 26, 2021, Housing and Homelessness Committee meeting, Councilmember Edwards requested staff to provide an update on State funding that the City can expect to receive to address housing and homeless assistance and prevention programs.

Each year the State of California allocates funding for specific programs and services. With an increased need for funding to address housing and homelessness in the State, several bills and allocations in the State budget have been identified for local jurisdictions.

DISCUSSION:

As California recovers from an unprecedented pandemic and the ensuing economic challenges that exacerbated a long-standing housing shortage, intensified a statewide affordability crisis, and provoked housing instability, the State budget (Budget) provides significant investments to continue protecting vulnerable Californians who were disproportionately and negatively impacted. The Budget also promotes and maintains stable housing through additional and expanded rental assistance, foreclosure prevention, mortgage assistance, and first-time homeowner investments.

Furthermore, the Budget continues the momentum of previous investments and policy changes that have and will help bolster affordable housing production while also financing innovative ways to plan, produce, preserve, and enhance the state's supply of long-term affordable housing. In total, the Budget provides \$10 billion for housing programs.

Over the past several years, the state has invested billions of dollars to provide critical housing supports and services to local jurisdictions to prevent and end homelessness. The Budget builds on this investment through a comprehensive approach of housing and services across the range of homelessness interventions to rebuild California's behavioral health housing system, expand access to affordable housing, assist local governments to develop encampment outreach strategies, and provide additional resources for Homekey acquisitions. The Budget includes \$7.3 billion for homelessness in 2021-22, plus an additional \$4.7 billion in 2022-23, for a total homelessness package of \$12 billion.

Overall, as the state continues to build an equitable recovery and bolster long-term equity and resiliency, the Budget doubles down with significant investments, in partnership with locals and support from the federal government, to keep expanding stable and affordable housing to individuals and families struggling to stay housed, experiencing homelessness or at risk for homelessness. In total, the Budget includes more than \$10 billion in housing resources and \$7.3 billion in homelessness resources in 2021-22.

The budget overview (Attachment A) depicts programs with budget allocations specifically to address housing and homeless assistance and prevention programs. Although all funding sources are not available to the City, the Office of Homeless Solutions will pursue any/all funding opportunities to address the needs of the City.

To date, the only direct allocation earmarked for the City is \$10 million for TruEvolution's Project Legacy Housing Project. Additional allocations will be presented to the Housing and Homelessness Committee as they are received. These funds will run through the Homeless Housing, Assistance, and Prevention program (HHAP). The HHAP program prioritizes racial, ethnic, and gender diversity and aims to close persistent demographic gaps for populations disproportionately likely to experience homelessness. With these funds, local governments have the resources to rapidly address homelessness and help move people off the streets.

Along with this unprecedented new funding comes greater accountability. To be eligible for this new funding, local governments will be required to develop and submit local homeless action plans, detailing the size and scale of their homeless populations, who is being served, inventorying local/state/federal funding available to help meet the need, and setting ambitious but achievable goals to make progress across a series of data-based metrics. To become and remain eligible for HHAP funding, local governments will be required to submit these reports and meet objective performance goals. Failure to do so can result in loss of flexibility for future HHAP funding, or in extreme cases, reallocation of a jurisdiction's funding to other governments in the region. Local governments that meet or exceed targets will be eligible for bonus HHAP funding.

STRATEGIC PLAN ALIGNMENT:

This item contributes to Strategic Priority No. 2 Community Well-Being and the following four Goals:

- 2.1 – Facilitate the development of a quality and diverse housing supply that is available and affordable to a wide range of income levels.
- 2.2 – Collaborate with partner agencies to improve household resiliency and reduce the incidence and duration of homelessness.

- 2.3 – Strengthen neighborhood identities and improve community health and the physical environment through amenities and programs that foster an increased sense of community and enhanced feelings of pride and belonging citywide.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. **Community Trust** – Funding allocations to address housing and homelessness issues increase community trust by providing visible and timely action, resulting in the greater public good.
2. **Equity** – Addressing housing and homelessness issues ensures an equitable distribution of services and equal access.
3. **Fiscal Responsibility** – Use of State and Federal funds and grant opportunities earmarked for housing and homelessness demonstrate responsible management of the City’s financial resources.
4. **Innovation** – By allocating resources and implementing programs to address housing and homelessness, the City is able to meet the community’s changing needs through collaborative partnerships.
5. **Sustainability & Resiliency** – Addressing housing and homelessness issues demonstrates that the City is meeting the needs of the present without compromising the needs of the future.

FISCAL IMPACT:

There is no fiscal impact related to this report.

Prepared by: Michelle Davis, Housing Authority Manager
Approved by: Kris Martinez, Interim Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment:

1. Attachment A – Budget Overview
2. CA Comeback Homelessness Plan