

FEBRUARY 15, 2023

# Recent Housing and Homelessness Augmentations and Oversight

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PRESENTED TO:

Assembly Committee on Housing and Community Development  
Hon. Buffy Wicks, Chair

Assembly Committee on Accountability and Administrative Review  
Hon. Cottie Petrie-Norris, Chair

Assembly Committee on Health  
Hon. Jim Wood, Chair

Assembly Committee on Human Services  
Hon. Corey Jackson, Chair



LEGISLATIVE ANALYST'S OFFICE

# Various Entities Help Address Housing Affordability and Homelessness

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Federal, state, and local governments fund a variety of programs aimed at helping Californians, particularly low-income Californians, afford housing and assist those who are experiencing homelessness or are at risk of becoming homeless.

## Federal Government

The U.S. Department of Housing and Urban Development (HUD) administers a collection of core programs that help spur housing development, aim to make housing more affordable, and address homelessness. Other federal entities have other, more focused roles in addressing homelessness, for example, the U.S. Department of Health and Human Services (HHS).

## State

**Core State Entities.** The longest standing and/or largest housing and homelessness programs are administered by a core group of state entities.

- **Department of Housing and Community Development (HCD).** Administers the state's flagship affordable housing development programs. Works with local governments to ensure they are adequately planning for the state's housing needs.
- **California Housing Finance Agency (CalHFA).** Administers housing financing and homeownership programs.
- **California Tax Credit Allocation Committee (CTCAC).** Administers the federal and state Low-Income Housing Tax Credit Programs.
- **California Interagency Council on Homelessness (Cal ICH).** Administers some state homelessness programs, including the Homeless Housing, Assistance and Prevention Program (HHAPP). Convenes council and seeks insights from stakeholders to develop policies, and identify and coordinate resources and services that aim to prevent and address homelessness in California. Council members:
  - Secretary of Business, Consumer Services and Housing Agency (co-chair).
  - Secretary of Health and Human Services Agency (co-chair).
  - Secretary of Department of Corrections and Rehabilitation.
  - Secretary of Department of Veterans Affairs.
  - Director of California Department of Aging.
  - Director of CalHFA.
  - Director of HCD.
  - Director of Office of Emergency Services.
  - Director of Department of Rehabilitation.
  - Director of Department of Social Services.
  - Director of Department of State Hospitals.
  - Director of Department of Health Care Services.
  - Director of California Department of Transportation.
  - Executive Director of CTCAC.
  - Executive Director of the California Workforce Development Board.
  - State Public Health Officer.
  - Representative from Department of Education.
  - Representative of the state public higher education system.
  - Senate Committee on Rules appointee.
  - Speaker of the Assembly appointee.

**Additional State Entities.** Other departments either administer the state's safety net programs and/or have other, more focused, roles in addressing housing and homelessness. These other departments generally are Cal ICH members.

## Local Entities

**Continuums of Care (CoCs).** HUD established CoCs to coordinate and administer homelessness programs within a particular area, often a county or group of counties. California is divided into 44 CoCs. Each CoC can be led by a county, city, or a nonprofit and includes a wide range of representatives from public and private entities that include civic groups, educational institutions, faith-based organizations, health and mental health care providers, local government, and nonprofit agencies.

**Cities and Counties.** Cities and counties make land use decisions in their communities. While some cities and counties operate their own housing and homelessness programs, often times, they rely on federal and state funding to support their programs. Cities and counties can lead a CoC, collaborate with their local CoC, or spearhead their own efforts to address homelessness.



# Major Recent Housing and Homelessness Spending Augmentations

Recent authorized budget actions reflect the increased fiscal role of the state in addressing housing affordability and homelessness.

## Major Discretionary Housing and Homelessness-Related Spending Augmentations Since 2018-19<sup>a</sup>

(In Millions)

Program	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 <sup>b</sup>	Program Total
<b>Housing and Community Development</b>							
Homekey Program	—	—	\$800	\$1,600	\$1,300	—	\$3,700
Housing Accelerator Program	—	—	—	1,750	250	—	2,000
Emergency Rental Assistance	—	—	—	1,950	—	—	1,950
Infill Infrastructure Grant Program	—	\$300	—	250	200	\$225	975
Local Planning Grants	—	250	—	600	—	—	850
Foreclosure Prevention and Preservation	—	—	—	500	—	—	500
Portfolio Reinvestment Program	—	—	—	300	50	100	450
Adaptive Reuse	—	—	—	—	150	250	400
CalHome <sup>c</sup>	—	—	—	—	250	100	350
Multifamily Housing Program	—	—	—	—	100	225	325
State Excess Sites Development	—	3	—	45	25	75	148
Joe Serna Jr. Farmworker Housing Grant Program	—	—	—	50	50	—	100
Manufactured Housing Opportunity and Revitalization Program	—	—	—	—	25	75	100
Veteran Housing and Homeless Prevention Program	—	—	—	—	50	50	100
Golden State Acquisition Fund	—	—	—	50	—	—	50
Migrant Farmworker Housing Deferred Maintenance	—	—	—	30	—	—	30
Transitional Housing Program	—	8	8	17	43	43	118
Housing Navigators Program	—	5	—	5	14	14	37
Subtotals	(—)	(\$566)	(\$808)	(\$7,147)	(\$2,506)	(\$1,156)	(\$12,184)
<b>California Interagency Council on Homelessness</b>							
HHAPP	—	\$650	\$300	\$1,000	\$1,000	\$1,000	\$3,950
Encampment Resolution Grants	—	—	—	50	300	400	750
HEAP	\$500	—	—	—	—	—	500
COVID-19 Emergency Funding	—	100	—	—	—	—	100
Family Homelessness Challenge Grants	—	—	—	40	—	—	40
Homeless Landscape Assessment	—	—	—	6	—	—	6
Homeless Data Integration System	—	—	—	4	—	—	4
Subtotals	(\$500)	(\$750)	(\$300)	(\$1,100)	(\$1,300)	(\$1,400)	(\$5,350)

(Continued)



# Major Recent Housing and Homelessness Spending Augmentations

(Continued)

Program	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 <sup>b</sup>	Program Total
<b>Department of Social Services</b>							
Community Care Expansion Program	—	—	—	\$805	\$55	—	\$860
CalWORKs Housing Support Program	—	—	—	190	190	—	380
Housing and Disability Advocacy Program	—	\$25	\$25	175	175	\$25	425
Bringing Families Home Program	—	—	—	93	93	—	185
Home Safe Program	\$15	—	—	93	93	—	200
Project Roomkey	—	50	62	150	—	—	262
Subtotals	(\$15)	(\$75)	(\$87)	(\$1,505)	(\$605)	(\$25)	(\$2,312)
<b>Department of Health Care Services</b>							
Behavioral Health Continuum Infrastructure Program <sup>d</sup>	—	—	—	\$756	\$1,400	\$2.1	\$2,158
Behavioral Health Bridge Housing Program <sup>e</sup>	—	—	—	—	1,000	500	1,500
CARE Court <sup>f</sup>	—	—	—	—	77	22.6	100
CalAIM—Enhanced Care Management <sup>g</sup>	—	—	—	61	224	374.4	660
CalAIM—Community Supports <sup>g</sup>	—	—	—	25	58	74.4	157
Subtotals	(—)	(—)	—	842	2,759	973	4,574
<b>Grand Total</b>	<b>\$515</b>	<b>\$1,391</b>	<b>\$1,195</b>	<b>\$10,594</b>	<b>\$7,170</b>	<b>\$3,555</b>	<b>\$24,420</b>

<sup>a</sup> This table generally captures the major discretionary spending actions related to housing and homelessness within the selected department. The table does not include previously authorized base funding for some of these programs, such as funding from the Veterans and Affordable Housing Bond Act of 2018 and No Place Like Home. The table reflects all fund sources.

<sup>b</sup> The 2022-23 budget authorized some spending actions in 2023-24.

<sup>c</sup> 2023-24 Governor's Budget proposes withdrawing \$100 million from 2023-24 and making it subject to a trigger restoration.

<sup>d</sup> 2023-24 Governor's Budget proposes delaying \$480.7 million from 2022-23 to 2024-25 (\$240.4 million) and 2025-26 (\$240.3 million).

<sup>e</sup> 2023-24 Governor's Budget proposes delaying \$50 million from 2022-23 and \$200 million from 2023-24 to 2024-25.

<sup>f</sup> Budget actions have also provided funding to the Health and Human Services Agency and Judicial Branch to implement CARE Court. Funding shown is for staffing and assessments, it does not include any costs associated with the provision of services.

<sup>g</sup> CalAIM Enhanced Care Management and Community Supports include care coordination to individuals experiencing homelessness and direct housing services such as housing transition navigation services and housing deposits. Funding information is inclusive of all services, not just those related to housing and homelessness.

HHAPP = Homeless Housing, Assistance, and Prevention Program; HEAP = Homeless Emergency Aid Program; CARE = Community Assistance, Recovery, and Empowerment; and CalAIM = California Advancing and Innovating Medi-Cal.



## Current Oversight and Accountability

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The scale of the housing affordability and homelessness crisis in California is significant. Addressing this crisis requires a complex combination of fiscal resources and policy solutions. Overall, the state has taken a larger role in addressing homelessness by providing significant, albeit largely one-time and temporary, funding towards flexible aid to local governments, affordable housing development, building housing for people with behavioral health needs, and housing supports for participants of some safety net programs in recent years.

Many state and local entities are involved in administering and implementing these programs. Assessing which programs appear most effective and evaluating the state's homelessness response system as a whole is critical. Below are our initial observations when surveying the current landscape of oversight and accountability measures.

- **Reporting Authority Varies.** There is significant variability in reporting requirements among programs. For example, in some cases, reporting requirements are established in statute by the Legislature. In other cases, state entities, such as departments, establish their own reporting requirements for recipients of state grants in program guidance or regulations. For some of these programs there are both statutory and department-level reporting.
- **Different Reporting Intervals.** Reporting requirements are set for different intervals—monthly, quarterly, or annually. In some cases, departments may have access to more current information.
- **Ready Access to Data Varies.** Generally, the Legislature automatically receives reports required in statute. In other cases, information might only be available to the Legislature upon request to state entities.
- **Recent Use of Dashboards Has Improved Transparency.** Recently, some state entities have established online dashboards that make information readily available to the Legislature and the public. For example, the Department of Housing and Community Development has developed dashboards for Homekey and the Emergency Rental Assistance Program.



## Current Oversight and Accountability

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- ***Outcome Data Generally Lacking.*** Where reporting requirements exist, they generally capture spending and uses rather than outcomes.
- ***Data Reliability.*** Even when data is available, differences in how data is locally collected could make it challenging to interpret data or generalize conclusions.



# Reporting Requirements for HHAPP

As one of the most significant recent augmentations to address homelessness, we highlight the oversight and accountability metrics for the Homelessness Housing, Assistance and Prevention Program (HHAPP).

## Homeless Housing, Assistance and Prevention Program

(In Millions)

	2019-20 Round 1	2020-21 Round 2	2021-22 Round 3	2022-23 Round 4
<b>Total State Budget Allocation</b>	\$650	\$300	\$1,000	\$1,000
<b>Funds Locally Granted</b>	\$604	\$219	Awarded winter 2023	Expected spring 2023
<b>Funds Locally Expended</b>	\$405	\$91	N/A	N/A
<b>Remaining Unobligated Funding</b>	\$46	\$81	N/A	N/A
<b>Expenditure Deadline</b>	June 30, 2025	June 30, 2026	June 30, 2026	June 30, 2027
<b>Reporting Requirements</b>	Annual progress report due December 31 to Cal ICH. Final report due December 31, 2025.	Annual progress report due December 31 to Cal ICH. Final report due December 31, 2026.	Annual progress report due December 31 to Cal ICH. Final report due October 1, 2026.	Annual progress report due December 31 to Cal ICH. Final report due October 1, 2027.
<b>Goals and Performance Evaluation</b>	N/A	N/A	Each applicant determines its own outcome goals in consultation with Cal ICH through local homelessness action plans and will only submit final outcomes goals after approval from the council. Cal ICH determines whether a grantee met its outcome goals, making the grantee eligible for "bonus" funding.	Same as Round 3

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# Reporting Requirements for HHAPP

(Continued)

	2019-20 Round 1	2020-21 Round 2	2021-22 Round 3	2022-23 Round 4
<b>Reporting and Accountability Metrics</b>	<ul style="list-style-type: none"> <li>Expenditures by eligible uses.</li> <li>Number of people served.</li> <li>Demographic information of people served.</li> <li>Types of housing assistance provided.</li> <li>Housing exists.</li> <li>Identification of partnerships among local entities.</li> </ul>	Same as Round 1	Same as Round 1 and Round 2. Additional accountability metrics: (1) reducing the number of persons experiencing homelessness, (2) reducing the number of persons who become homeless for the first time, (3) increasing the number of people exiting homelessness into permanent housing, (4) reducing the length of time persons remain homeless, (5) reducing the number of persons who return to homelessness after exiting homelessness to permanent housing, and (6) increasing successful placements from street outreach.	Same as Round 3
<b>Highlight of Available Data</b>	Of funds expended to date, navigation centers and emergency shelters are the largest eligible use category at 37 percent of total expenditures.	Of funds expended to date, operating subsidies are the largest eligible use category at 26 percent of total expenditures.	N/A	N/A

<sup>a</sup> The 2022-23 budget authorized an additional \$1 billion for a fifth round of HHAPP. The administration is proposing budget-related legislation for the 2023-24 budget to established the HHAPP Round 5 in statute. We are at the initial stage of evaluating the proposed budget-related legislation.

Cal ICH = California Interagency Council on Homelessness and HUD = United States Department of Housing and Urban Development.

## Key Oversight and Accountability Takeaways From HHAPP:

- Program has strengthened oversight and accountability measures over time.
- Significant lag in reporting makes it difficult for the Legislature to use recent information in its decision-making.
- Inclusion of local action plans help to set clearer expectations upfront.
- However, unclear how local goals align with Legislative priorities.

