



July 19, 2021

Dear Members of the Homeless Coordinating and Financing Council:

As you may know, a highly anticipated budget agreement was recently passed. We are pleased to announce that the budget places great focus on addressing the housing and homelessness crisis in California. The budget enacts unprecedented investments for homelessness programs, approximately \$12 billion in new funding over the next two years. These investments provide great support for our shared work towards preventing and ending homelessness in California.

The 2021-2022 Budget also allows several Homeless Coordinating and Financing Council member departments to address homelessness and housing. Highlights from these investments are below.

Department Allocations for Homelessness and Housing

Homeless Coordinating and Financing Council (HCFC)

- \$1 billion annually in FYs 21-22 and 22-23 for round 3 and 4 of the Homeless Housing, Assistance, and Prevention Program (HHAP). These funds will support local communities through a broad range of flexible uses, including street outreach, interim housing, rapid rehousing, hotel and motel conversions, and permanent supportive housing. For the first time in the state's history, these discretionary homelessness funds will have a clear focus on accountability and outcomes – each grantee must establish quantifiable performance goals and will receive bonus funds if they meet their goals. HHAP will include a required minimum of 10% set aside for youth experiencing or at-risk of homelessness.

For the first time, HHAP will also include a tribal government set-aside (\$20 million each round) to support tribes in providing culturally appropriate housing services responsive to the needs of Indigenous / American Indian people experiencing homelessness. Furthermore, HHAP will continue to require implementation of strategies to eliminate racial bias in services and outcomes across local homeless response systems.

- HCFC will also be implementing two new challenge grant programs:
 - \$40 million for Family Homelessness Challenge Grants and technical assistance.
 - \$50 million for Encampment Resolution Funding to support collaborative, innovative efforts to resolve encampment issues.

With both grants, HCFC will encourage a broad range of applicants in the hopes of representation from all types of communities; grants are competitive and will be

awarded to highest scoring applicants; details on timelines for applications and awarding of funds will be released in coming months.

- Additional HCFC budget items include:
 - \$4 million to support the state's Homeless Data Information System (HDIS).
 - \$5.6 million for a statewide landscape assessment; an RFP for a vendor to conduct the assessment is forthcoming.

California Community Colleges (CCC)

- \$100 million one-time to support student basic needs, such as food, housing, childcare, and mental health.
- \$30 million ongoing to support basic needs centers at all community colleges.

California Department of Health Care Services (DHCS)

- Funding to implement CalAIM, which will allow for opportunities including an incentive for building an integrated, long-term services and supports program and the necessary clinically linked housing continuum for our homeless population.
- \$15 million to support the Alameda Wellness Campus to provide an integrated model of care that includes permanent supportive housing and intensive homeless prevention and housing placement services for seniors experiencing homelessness.
- Funding to support the Behavioral Health Continuum Infrastructure Program

California Department of Housing and Community Development (HCD)

- \$1.45 billion in FY 21-22 and \$1.3 billion in FY 22-23 for Homekey, administered by HCD for local governments to purchase and rehabilitate housing to convert into interim or permanent, long-term housing.
- \$1.75 billion to alleviate the backlog in affordable housing construction by financing "shovel-ready" projects.
- \$300 million for the preservation of existing affordable housing.

California Governor's Office of Emergency Services (Cal OES)

- \$10 million for the Homeless Youth Emergency Services Pilot Program.
- \$40 million for the Homeless Youth Emergency Services and Housing Program.

California Department of Social Services (DSS)

- \$380 million over two years – in addition to the ongoing, annual appropriation of \$95 million – for the CalWORKs Housing Support Program (HSP), which supports housing stability for families experiencing or facing homelessness in the CalWORKs program.
- \$185 million over two years for the Bringing Families Home Program (BFH), which provides housing-related supports to families receiving child welfare services and aims to increase family reunification and prevent foster-care placement.
- \$300 million over two years – in addition to the ongoing, annual appropriation of \$25 million – for the Housing and Disability Advocacy Program (HDAP), which

provides housing assistance and disability benefits advocacy to individuals likely eligible for disability benefits.

- \$185 million over two years for Home Safe Program, which supports the safety and housing stability of individuals involved in Adult Protective Services.
- \$150 million one-time for Project Roomkey and Rehousing Strategy to support continued non-congregate shelter operations while increasing the focus and resources to transition participants to permanent housing.
- \$805 million for the new Community Care Expansion (CCE) program to support acquisition and rehabilitation of residential care settings for seniors and adults with disabilities.

For a full summary of DSS housing and homelessness programs, please reference the [All County Welfare Directors Letter](#) dated July 19, 2021.

California Tax Credit Allocation Committee (TCAC)

- \$500 million in low-income housing tax credits.

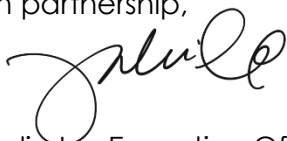
California Department of Veterans Affairs (CalVet)

- \$25 million to support organizations that provide supportive services to homeless or at-risk veterans.
- \$20 million to help fund 1,200 permanent supportive housing units for homeless and at-risk veterans at the West Los Angeles VA Medical Center Campus.

These state-level investments represent just some of the ongoing work to prevent and end homelessness in California. The federal government has shown its commitment to this task as well. Through the American Rescue Plan Act, the California Department of Education (CDE) received more than \$98 million in Elementary and Secondary School Emergency Relief – Homeless Children and Youth Funds, to help identify children and youth experiencing homelessness, ensure these students can attend and fully participate in school, and expand wraparound services in light of the COVID-19 pandemic.

Locally, community partners and service providers work daily to address the needs of people experiencing homelessness. Historic investments at all levels in housing and homelessness systems will help further this work. This budget provides the funding needed to expand and improve efforts to ensure homelessness in California is rare, brief, and a one-time experience. A full summary of the state's FY 21-22 budget is available online at ebudget.ca.gov, and additional details on many of the above resources can be found in [Assembly Bill \(AB\) 140](#), signed by the Governor today.

In partnership,



Julie Lo, Executive Officer
Homeless Coordinating and Financing Council