



April 19, 2024

The Honorable Scott D. Wiener
Chair, Senate Budget and Fiscal Review
Committee
1021 O Street, Suite 8620
Sacramento, CA 95814

The Honorable Stephen Padilla
Chair Senate Budget Subcommittee #4
1021 O Street, Suite 6640,
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget and Fiscal Review
Committee
Capitol Office, 1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Sharon Quirk-Silva
Chair, Assembly Budget Subcommittee #5
1021 O Street, Suite 4210
Sacramento, CA 95814

Re: Protecting Core Homelessness and Housing Programs in the 2024-25 Budget

Dear Senator Wiener, Senator Padilla, Assemblymember Gabriel, and Assemblymember Quirk-Silva:

On behalf of All Home, I am writing to urge your support for critical homelessness and housing programs in this year's budget. We commend the Legislature and Governor Newsom's leadership in making unprecedented investments in recent years to address the top issues on Californian's minds: homelessness and the housing crisis. Now is the time to renew the state's commitment to comprehensive, evidence-based solutions and extend our hard-won progress, despite the budget challenges we face.

All Home advances solutions to disrupt the cycles of poverty and homelessness and to create more housing security and economic mobility for Californians with the lowest Incomes. We work with city and county governments in the Bay Area to implement a strategy of concurrent investments in homelessness prevention, interim housing, and permanent housing – and see first-hand the impact of state investment in these areas.

The Homeless Housing, Assistance, and Prevention Program

The HHAP program is a critical source of funding that allows grantees the flexibility to support a range of solutions in their communities, and has connected thousands of unhoused Californians to shelter and housing. Last year, the program was amended to require regional coordination and planning, which will strengthen local homelessness

220 Montgomery Street, Suite 850 | San Francisco, CA 94104 | www.allhomeca.org

response efforts and boost accountability for the program. HHAP also now includes more targeted eligibility criteria for prevention funding, which better aligns with the research on risk factors for homelessness. All Home is actively supporting Bay Area partners in their regional coordination efforts, and works with several jurisdictions to strategically target homelessness prevention support; **we're encouraged by what we're seeing locally and what can be accomplished with this program.** Unfortunately, the Governor's proposed budget does not include a Round 6 of HHAP, and our partners face a funding cliff for programs they've stood up in the last three years. Here's what jurisdictions in the Bay Area share about the impact and importance of HHAP:

- *"The flexible nature of HHAP funding has allowed us to both fill service gaps and prolong and expand existing programs. For example, we used HHAP funding to fill funding gaps in two Homekey projects, resulting in an additional 46 exits to permanent housing in 2023."* - A North Bay County
- *"HHAP has been a critical resource in our community and the flexibility of the funding to meet local needs has been essential to our success... We've increased our temporary housing capacity by 44% since 2020, largely due to HHAP funding. Fewer people are sleeping outdoors because of this critical resource."* - A South Bay County
- *"HHAP funding has been pivotal for [our community] to strengthen and focus our ability to support housing solutions for people experiencing homelessness and to prevent homelessness for at-risk households. Specifically, HHAP funding has directly supported... 67 new PSH units with mental health-focused supportive services; a new Homeless Navigation Center that will serve 200 people annually; and 16 Board & Care beds for people experiencing mental health challenges and homelessness... HHAP Round 5 funding will support homelessness prevention and shelter diversion for persons at the highest risk of experiencing homelessness."* - An East Bay County
- *"Forty percent of people on our housing waitlist are experiencing homelessness. We were recently awarded HHAP funds in December 2023 and enabled us to hire supportive staff to provide services to our homeless population."* - Northern California Tribe

In light of these and other examples across California, All Home respectfully requests a minimum of \$1 billion for the HHAP program in this year's budget. We also reiterate the call for a multi-year funding commitment - made by grantees and advocates across the state - which would scale and accelerate our progress on homelessness.

Consider Adjustments to Streamline Program Administration

As part of discussions to extend HHAP funding in this year's budget, we recommend that the Legislature explore several changes that would streamline administration of these valuable resources and increase program efficiency. Changes could include 1) addressing funding fluctuations with a 'buffer' or similar process that protects grantees from losing funding if their PIT numbers decrease; 2) amending the funding disbursement schedule; 3) allowing

grantees to spend unused funds from prior rounds on targeted homelessness prevention; and 3) consolidating reports from recent rounds. These changes will further increase accountability and, paired with sustained investment, lead to greater support for unhoused Californians and reductions in homelessness.

Protect Core Housing Programs

The Department of Housing and Community Development's most recent \$576 million notice of funding availability received requests of \$3.6 billion from affordable housing developers, an oversubscription of 6:1. This represents 15,000 permitted, shovel-ready affordable housing units whose only barrier to construction is a lack of state funding. **Given this, we urge the Legislature to protect core state housing programs, particularly those that support housing production and units that are waiting in the pipeline, like the Multi-Family Housing Program and the state's Low-Income Housing Tax Credit program.**

Without a sustained, multi-year housing production strategy, local jurisdictions' efforts to house people experiencing homelessness will be dwarfed by the number of people who are falling into homelessness due to escalating housing costs. While we recognize the severity of the state's budget crisis, we respectfully ask that the Legislature limit cuts to all housing programs in recognition of the importance of these issues to Californians.

Our state's homelessness and housing crises are decades in the making, and we urge the Legislature to prioritize the funding needed to solve - rather than simply address - them. Instead of pulling back, we should strengthen our commitment to Californians experiencing homelessness and our communities. We thank you for your leadership during a difficult budget year, and are eager to work with you to ensure the state's priorities are reflected in the final budget agreement.

Sincerely,



Brett Andrews
Interim Chief Executive
All Home