

HOMELESSNESS

Homelessness in California is no longer confined to urban corridors. It is now present in both urban and rural communities throughout the state and puts stress on public resources from emergency rooms to jails and public works departments. It is a complex social services problem and must be combatted at its root causes, which is why the Budget introduces several new strategies to complement the sizable investments to address this complicated problem.

The Budget proposes a radical shift in the state's involvement to augment local governments' efforts to shelter the many unsheltered persons living in California, by launching a new state fund for developing additional affordable housing units, supplementing and augmenting rental and operating subsidies, and stabilizing board and care homes. The Administration is asking the Legislature to take early action to establish this fund so that it can expedite the contracts and be ready to deploy investments this summer.

The Budget also proposes the Medi-Cal Healthier California for All initiative that will transform the state's Medi-Cal program to better serve people experiencing or at risk of homelessness who have serious health issues through enhanced case management and expanded investments in social determinants of health, like housing and social services. The Administration will also work to reform the state's behavioral health system, including making changes to the Mental Health Services Act (Proposition 63) to better serve persons experiencing mental illness and homelessness.

RECENT INVESTMENTS

Building on the 2018 Budget Act that provided \$500 million in emergency aid and support funding to local governments, targeted to fund capital improvements, such as creating emergency shelters and transitional housing, and establish or expand homeless prevention activities, the 2019 Budget Act invested \$1 billion to address homelessness. This included \$650 million in emergency aid to local governments and hundreds of millions of dollars for expanded health and social services targeted to homeless individuals and individuals at risk of becoming homeless. Other investments from the 2019 Budget Act are outlined as follows:

- \$120 million one-time General Fund to expand existing whole person care pilot programs that provide housing services, and for new whole person care-like pilots in counties that did not have existing programs.
- Major investments to expand the state's mental health workforce, including \$50 million one-time General Fund to increase training opportunities in existing mental health workforce programs administered by the Office of Statewide Health Planning and Development, and \$35 million one-time General Fund and \$25 million one-time Mental Health Services Fund to implement the new 2020-25 Workforce Employment Training Five-Year Plan.
- \$25 million one-time General Fund for the Bringing Families Home program, a county-matching grant program focused on reducing homelessness among families who are part of the child welfare system, and \$25 million ongoing General Fund for counties to assist eligible homeless individuals to seek out disability benefits from relevant programs.
- \$20 million General Fund for legal assistance for eviction prevention or other tenant defense assistance in landlord-tenant rental disputes, particularly for the homeless, indigent, disabled, elderly, and victims of domestic violence.
- \$19 million ongoing General Fund to the University of California, the California State University, and the California Community Colleges to support rapid rehousing of homeless and housing-insecure students.

Furthermore, the state substantially strengthened core safety-net programs including increasing cash assistance for low-income families (California Work Opportunity Responsibility for Kids), and permanently granting food stamp eligibility for low-income aged, blind and disabled persons receiving Supplemental Security Income/State Supplementary Payments. The state also expanded eligibility and benefits in

the Medi-Cal program that provides health care coverage to most of the state's indigent adults, including behavioral health services.

IMMEDIATE ACTIONS

Recent nationwide data released by the U.S. Department of Housing and Urban Development show that the homeless population continues to grow in California and across the nation, making additional investments critical and timely. In early January 2020, the Governor issued an executive order to take urgent actions to provide additional state aid to support local governments in addressing this crisis. The state will deploy state assets to specific counties, in partnership with philanthropy, to augment local shelter capacity. The Administration will also send out multi-agency strike teams to assist cities and counties in moving individuals from encampments into shelters and connecting them to services. The Administration is also partnering with local researchers to direct a study to better understand the root causes of the state's homelessness crisis.

These efforts will complement and build on solutions being crafted locally through the 100-Day Challenge the Governor issued to local governments in December 2019. These challenges are designed to bring communities together to collaborate, innovate, and execute a coordinated community response to address homelessness issues. The goal is to translate these actions into sustainable, scalable, long-term strategies that reduce homelessness.

To date, a number of California jurisdictions have already expressed interest in accepting this challenge. The Administration is encouraging more cities and counties to take immediate action by accepting their own 100-Day Challenges to end homelessness for specific targeted populations, such as veterans or youth, using funds provided in the 2018 and 2019 Budget Acts. Participating entities will receive additional technical assistance through the Homeless Coordinating and Financing Council to assist with these efforts and develop sustainable models. The state will also assist local communities in seeking philanthropic support for these 100-Day Challenges.

These efforts will be expedited by statutory changes made last year that streamlined construction of low-barrier navigation centers by exempting these types of structures built on public land from California Environmental Quality Act review.

The state is also leveraging its property to provide new assets to help address the state's homelessness crisis. The state has recently partnered with Los Angeles, San Jose, and San Francisco, to use highway underpasses and other California Department of

Transportation (Caltrans) properties adjacent to highways and state roads for temporary homeless housing, and the Governor has directed Caltrans to share a model template with all other jurisdictions in the state to expedite additional partnerships.

The Governor had previously directed the Department of General Services (DGS) to identify state-owned land that could be used for affordable housing development. The Governor has also directed DGS to immediately identify state-owned land that can be used for temporary shelters or permanent supportive housing. These state-owned properties can be leased more quickly and will be prioritized for funding from the new fund. The advantage of building on state property is a reduction in time it takes to develop projects because they do not need to go through local zoning and permitting process, thereby reducing overall project costs.

CALIFORNIA ACCESS TO HOUSING AND SERVICES FUND

The strategies outlined above are significant and are producing results. More homeless infrastructure is being built, but the state still has a severe shortage of affordable and supportive housing units. Furthermore, funding for housing and rental subsidies are generally limited to federal Housing Choice vouchers, where many jurisdictions have severe shortages and long waitlists. Other rental subsidies are either one-time or limited to populations in specific programs like the CalWORKs program, creating a patchwork of funding streams. To address these shortfalls, the Budget proposes a new state fund to provide additional rental subsidies and develop new, affordable housing units, and stabilize board and care homes.

The Budget includes \$750 million one-time General Fund to establish the California Access to Housing and Services Fund that will be administered by the state's Department of Social Services. The primary goals of the proposed Fund are to reduce homelessness by moving individuals and families into stable housing, and to increase the number of units available as a stable housing option for individuals and families who are homeless or at risk of becoming homeless. This approach represents a radical shift in the state's involvement to house the many unsheltered persons in California.

The Fund will flow through performance-based contracts between the state and regional administrators and will be subject to a 10-percent administrative cap. Regional administrators will provide short- and long-term rental subsidies, make small and medium-sized contributions to encourage development of new units in exchange for a rental credit, and stabilize board and care facilities by funding capital projects and/or operating subsidies. The Fund will also be used to engage with landlords to

secure units and negotiate individual client leases, provide tenancy support services, and coordinate case management with counties for those receiving rental subsidies to ensure they are enrolled in eligible public assistance programs. To the extent feasible, state funding will be coupled with the use of state properties to expedite the development of more affordable and supportive housing.

The Fund will also enable regional partners to pool federal, state, local, and private funds to stabilize the housing circumstances of the state's most vulnerable populations. Several jurisdictions, including Los Angeles, Santa Barbara, and Berkeley, have a similar fund where administrators leverage dollars to connect people to housing, provide financial supports to keep people in their homes, and increase affordable housing capacity.

OTHER EFFORTS TO REDUCE HOMELESSNESS

MEDI-CAL HEALTHIER CALIFORNIA FOR ALL

Medi-Cal Healthier California for All is a major effort proposed in the Budget to transform the state's Medi-Cal program. In addition to broad delivery system, program, and payment reforms across the Medi-Cal program, the proposal will focus on people experiencing or at risk of homelessness.

The initiative is designed to move Medi-Cal to a more consistent and seamless system by reducing complexity and increasing flexibility, identifying and managing member risk and need through whole person care approaches, and addressing social determinants of health, such as housing and social services. The changes being pursued will position the Medi-Cal system to better connect individuals to the services they need, with a specific focus on improving care to individuals experiencing homelessness and/or substance use disorders, and individuals who are involved in the justice system. The Budget also includes funding to support counties in implementing the changes necessary for transformation of the county-run behavioral health and substance use disorder system. See the Health and Human Services chapter for additional information.

BEHAVIORAL HEALTH

The Administration is also focused on improving outcomes of the state's behavioral health system through a number of initiatives that improve the integration and parity of behavioral health treatment with physical health. The Administration is furthering these efforts by establishing a Behavioral Health Task Force that will bring together relevant state departments, counties, advocates, health plans, providers, and other

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stakeholders to review existing policies and programs and coordinate system changes to prevent and respond to the impacts of mental illness and substance use disorders in California communities. The Administration will also work to reform the Mental Health Services Act (Proposition 63) to better focus on people with mental illness who are also experiencing homelessness, who are involved in the criminal justice system, and for early intervention of children. See the Health and Human Services chapter for additional information.

EXPANDING COMMUNITY TREATMENT OF THE INCOMPETENT TO STAND TRIAL POPULATION

The Budget proposes to implement a six-year Community Care Collaborative Pilot program in three counties to provide incentives to treat and serve individuals deemed incompetent to stand trial (IST) in the community. This program will primarily target the development of community-based treatment options for individuals who are experiencing mental illness and are homeless. This program will increase local investments in strategies to reduce the rate of arrests, rearrests, and cycling in and out of institutions for individuals who have been deemed incompetent to stand trial. The Budget also includes additional investments in treatment programs in the State Hospitals that will improve outcomes and transitions for individuals leaving the State Hospital system. See the Health and Human Services chapter for additional information.