

# HOUSING AND HOMELESSNESS

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## HOUSING

In recent years, the state has invested billions in incentives for housing production, including \$10.3 billion in the 2021 Budget Act. The Budget invests an additional \$2.9 billion for affordable housing production and homeownership opportunities, for a total housing package of \$11.2 billion over multiple years.

### AFFORDABLE HOUSING PRODUCTION

The Budget includes over \$2 billion General Fund over the next two years for affordable housing production in the following programs:

- **Adaptive Reuse**—\$450 million one-time General Fund (\$200 million in 2022-23 and \$250 million in 2023-24) to convert existing commercial or office space to affordable housing. \$50 million of this investment is for the Los Angeles County and University of Southern California General Hospital adaptive reuse project.
- **Infill Infrastructure Grant Program**—\$425 million one-time General Fund (\$200 million in 2022-23 and \$225 million in 2023-24) to fund necessary infrastructure for affordable housing in downtown-oriented areas.
- **Multifamily Housing Program**—\$325 million one-time General Fund (\$100 million in 2022-23 and \$225 million in 2023-24) to augment the Multifamily Housing Program,

which is expected to exhaust the remainder of the \$1.5 billion provided to the program in the Veterans and Affordable Housing Bond Act of 2018 in 2022-23.

- **California Housing Accelerator Program**—\$250 million one-time General Fund toward the California Housing Accelerator program for affordable housing projects awaiting awards from the California Tax Credit Allocation Committee or the California Debt Limit Allocation Committee.
- **Portfolio Reinvestment Program**—\$150 million one-time General Fund (\$50 million in 2022-23 and \$100 million in 2023-24) for the Portfolio Reinvestment Program to further preserve targeted units in downtown-oriented areas and continue increasing the state's affordable housing stock.
- **State Excess Sites Developments**—\$100 million one-time General Fund (\$25 million in 2022-23 and \$75 million in 2023-24) to expand affordable housing development and adaptive reuse opportunities on state excess land sites. This will leverage state land as an asset to expedite housing opportunities by offering low-cost, long-term ground leases in exchange for affordable and mixed-income housing.
- **Manufactured Housing Opportunity and Revitalization Program**—\$100 million one-time General Fund (\$25 million in 2022-23 and \$75 million in 2023-24) for the Department of Housing and Community Development's (HCD) Manufactured Housing Opportunity and Revitalization Program (formerly the Mobilehome Park Rehabilitation and Resident Ownership Program). These funds will finance the preservation and development of affordable mobilehome parks.
- **Veterans Housing and Homeless Prevention Program**—\$100 million one-time General Fund (\$50 million in 2022-23 and \$50 million in 2023-24) to augment the Veterans Housing and Homeless Prevention Program, which is expected to exhaust the \$600 million provided to the program in the Veterans Housing and Homeless Prevention Bond Act of 2014 in 2022-23.
- **Joe Serna Jr. Farmworker Housing Grant Program**—\$50 million one-time General Fund to augment the Joe Serna Jr. Farmworker Housing Grant Program to fund new construction, rehabilitation, and acquisition of owner-occupied and rental units for agricultural workers, with a priority for lower income households.
- **Accessory Dwelling Unit Financing**—\$50 million one-time General Fund for the California Housing Finance Agency to provide grants to reimburse pre-development and non-reoccurring closing costs associated with the construction of an Accessory Dwelling Unit.

## HOMEOWNERSHIP

The Budget includes \$850 million to help very-low-, low-, and moderate-income individuals purchase or remain in homes.

- **California Dream for All Program**—\$500 million one-time General Fund to establish the California Dream for All Program at the California Housing Finance Agency to provide shared-appreciation loans in conjunction with interest-rate buy downs to low- and moderate-income first-time homebuyers to assist with down payments and rising interest rates.
- **CalHome**—\$350 million one-time General Fund (\$250 million in 2022-23 and \$100 million in 2023-24) to provide grants to local public agencies and nonprofit corporations for first-time homebuyer and housing rehabilitation assistance, homebuyer counseling, and technical assistance activities to enable low- and very-low-income individuals to become or remain homeowners.

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## HOMELESSNESS

The Budget builds on the previous year's historic commitment of funds for addressing homelessness by providing an additional \$3.4 billion over three years to continue the state's comprehensive approach toward services and supports for individuals who are experiencing homelessness, or who are at risk of experiencing homelessness. The Budget homelessness package totals \$10.2 billion over two years.

### SIGNIFICANT ADJUSTMENTS INCLUDE:

- **Encampment Resolution Grants**—\$300 million General Fund for 2022-23, and \$400 million General Fund for 2023-24, to expand the Encampment Resolution Grants program. Of the 2022-23 funds, \$150 million is prioritized for assisting persons living in encampments located on a state right-of-way.
- **Homeless Housing, Assistance, and Prevention Program (HHAP)**—\$1 billion General Fund for HHAP, and \$1 billion General Fund for 2023-24 for the program. HHAP is a source of funds for cities, counties, and continuums of care to create comprehensive plans to address their homelessness challenges in ways that best meet local needs.
- **Homekey 2.0**—\$150 million General Fund in 2021-22 to augment the \$1.5 billion provided for Homekey 2.0 and \$1.3 billion for 2022-23. Awards from Homekey 2.0

continue to be announced, and cumulatively have helped to facilitate more than 10,000 new units of housing for Californians experiencing homelessness.

- **Behavioral Health**—\$1.5 billion General Fund over two years for the Behavioral Health Bridge Housing Program to expand access to housing for individuals with complex behavioral health needs. The Budget also continues to invest in community restoration placements and services for individuals deemed incompetent to stand trial. See the Health and Human Services Chapter for more details.
- **Transitional Housing and Housing Navigators**—\$34 million ongoing General Fund for HCD's Transitional Housing Program (\$25.3 million) and Housing Navigators Program (\$8.7 million) to provide transitional housing and services to youth who were formerly in the foster system or on probation.

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### TOTAL HOUSING AND HOMELESSNESS INVESTMENTS

The Budget further commits funds to equitably build more affordable and climate-smart housing for Californians and expand access to housing for vulnerable populations, including individuals with complex behavioral health conditions and people living in unsheltered settings. In total, the Budget includes \$11.2 billion for housing resources and \$10.2 billion for homelessness resources in 2022-23, as detailed below.

**Affordable Housing Funding at 2022 Budget Act**

(Dollars in Millions)

Department	Program	Total Funding
Department of Housing and Community Development <sup>11</sup>	Veterans and Affordable Housing Bond Act Programs (Prop 1)	\$431.9
	No Place Like Home Program	\$400.0
	Building Homes and Jobs Fund Programs (SB 2)	\$233.8
	Federal Funded Programs for Housing	\$260.2 <sup>2/</sup>
	CalHome	\$250.0 <sup>3/</sup>
	Accelerator	\$250.0
	Adaptive Reuse	\$200.0 <sup>3/</sup>
	Infill Infrastructure Grant Program	\$200.0 <sup>3/</sup>
	Multifamily Housing Program	\$100.0 <sup>3/</sup>
	Veterans Housing and Homelessness Prevention	\$125.0 <sup>3/1/</sup>
	Joe Sema Farmworker Housing Grants	\$50.0 <sup>3/</sup>
	Portfolio Reinvestment Program (Preservation)	\$50.0 <sup>3/</sup>
	State Excess Sites	\$25.0 <sup>3/</sup>
	Manufactured Housing Opportunity and Revitalization Program	\$25.0 <sup>3/</sup>
Various	\$13.0	
Office of Migrant Services	\$5.6	
California Housing Finance Agency <sup>4/</sup>	Low-Moderate Income Housing	\$50.0
	Single Family First Mortgage Lending	\$2,500.0
	Homeowner Assistance Fund	\$1,055.0
	Multifamily Conduit Lending	\$1,300.0
	California Dream For All	\$500.0
	Multifamily Permanent Lending	\$350.0
	Single Family Down Payment Assistance/Homebuyer Assistance	\$140.0 <sup>5/</sup>
	Mixed-Income Loan Program	\$43
	Accessory Dwelling Unit Financing	\$50.0
Tax Credit Allocation Committee	Low Income Housing Tax Credits (State)	\$645.5 <sup>6/</sup>
	Low Income Housing Tax Credits (Federal)	465.7 <sup>7/</sup>
	Farmworker Housing Assistance Tax Credits	\$4.6
Strategic Growth Council	Affordable Housing and Sustainable Communities	\$477.0 <sup>8/</sup>
Department of Veterans Affairs	CalVet Farm and Home Loan Program (Prop 1)	\$150.0
Judicial Council	Legal Assistance for Renters and Homeowners	\$50.0
Office of Emergency Services	Domestic Violence Housing First Program	\$23.0
	Transitional Housing Program	\$17.0
	Specialized Emergency Housing	\$10.0
	Domestic Violence Assistance, Equality in Prevention and Services, Human Trafficking Victim Assistance, North American Domestic Violence and Sexual Assault	- <sup>9/</sup>
California Department of Corrections and Rehabilitation	Returning Home Well	\$10.6
	Specialized Treatment of Optimized Programming, Parolee Service Center, Day Reporting Center, Female Offender Treatment and Employment Program, Proposition 47 Grant Program	- <sup>9/</sup>
Board of State and Community Corrections	Transitional Housing for Division of Juvenile Justice Youth	\$3.0
Department of Public Health	Housing Opportunities for Persons with AIDS (HOPWA)	\$5.0
	Housing Plus Program	\$1.0
	HIV Care Program	- <sup>9/</sup>
California Community Colleges		10/
California State University University of California	Higher Education Student Housing Grant Program	\$750.0
<b>Total</b>		<b>\$11,219.9</b>

1/ Notwithstanding multiyear or continuous appropriations, these estimates depict HCD's appropriations for the 2022 Budget Act.

2/ This amount reflects programs that receive federal funds, such as the Community Development Block Grant program.

3/ Note the 2022 Budget includes an outyear appropriation for this program in 2023-24.

4/ CalHFA is self-supporting and its single family and conduit lending programs do not rely on the state General Fund. Funding estimates are based on lending activities from 2020-21, market demand for homeownership, available program resources, volume cap allocation, and multifamily lending pipeline projections.

5/ This program receives no General Fund allocation and is continuously financed based on market demand. This estimate is based on last year's lending activities and market demand for the first mortgage homeownership product.

6/ This includes \$500 million state tax credits allocated in the 2021 Budget Act.

7/ This represents the estimated 9 percent and 4 percent tax credits available in 2022 and the remaining 9 percent federal disaster credits from 2021.

8/ The Affordable Housing and Sustainable Communities program amount reflects 20 percent of projected Cap and Trade revenues and \$22 million that is proposed to be reappropriated from the 2014 Budget Act.

9/ The state provides a number of wrap-around supportive services through these programs including housing, which cannot be separated from the program's overall budget.

10/ The 2022-23 funding for the Higher Education Student Housing Grant Program represents the second year of a total \$2.2 billion investment planned over a three-year period. The 2021 and 2022 Budget Acts provided \$700 million for this purpose in 2021-22 to increase availability of affordable student housing.

11/ The 2022 Budget Act includes \$50 million General Fund for the Veterans Housing and Homeless Prevention program in 2022-23.

**Homelessness Funding at 2022 Budget Act**  
(Dollars in Millions)

Department	Program	Total Funding
Department of Housing and Community Development	Continued Homekey Acquisitions	\$1,300.0
	Federal Funded Programs for Homelessness	\$148.0 <sup>1/</sup>
	Foster Youth Housing Navigators	\$13.7
	Transitional Housing Program	\$42.3
California Interagency Council on Homelessness	Flexible Aid	\$2,000.0 <sup>2/</sup>
	Homeless Landscape Assessment	\$0.6
	Encampment Resolution Efforts	\$700.0 <sup>3/</sup>
Office of Emergency Services	Various Homeless Youth Programs	\$1.0
	Youth Emergency Telephone Network	\$0.6
Department of Social Services	Community Care Expansion (Operating Subsidies)	\$55.0
	CalWORKS Housing Support Program	\$285.0
	Housing and Disability Advocacy Program	\$175.0
	Bringing Families Home	\$92.5
	Home Safe Program	\$92.5
Department of Health Care Services	Behavioral Health Continuum Infrastructure Program	\$1,724.7 <sup>4/</sup>
	Behavioral Health Bridge Housing Program	\$1,500.0 <sup>5/</sup>
	Naloxone Distribution Project for Individuals Experiencing Homelessness	\$15.0
	Housing and Homelessness Incentive Program	\$1,299.6 <sup>6/</sup>
	Project for Assistance in the Transition from Homelessness	\$8.8
Department of State Hospitals	IST Sub-Acute Bed Capacity Expansion	\$88.5 <sup>7/</sup>
	Community-Based Restoration (CBR)	\$78.4 <sup>7/</sup>
	IST Solutions	\$398.2 <sup>7/</sup>
Department of Transportation	Encampment Relocation Coordinators and Homeless Services Liaisons	\$2.7
	Clean California - additional Hazardous Material Removal	\$25.0
	Hazardous Material Removal at Encampments	\$20.6
California Community Colleges	Basic Needs Resource Centers Funding - Student Hunger and Homelessness Programs	\$40.0 <sup>8/</sup>
	Rapid Rehousing	\$19.0 <sup>8/</sup>
California State University	Basic Needs Funding - Student Hunger and Homelessness Programs	\$25.0 <sup>8/</sup>
	Rapid Rehousing	\$6.5 <sup>8/</sup>
University of California	Basic Needs Funding - Student Hunger and Homelessness Programs	\$15.0 <sup>8/</sup>
	Rapid Rehousing	\$3.5 <sup>8/</sup>
<b>Total</b>		<b>\$10,176.7</b>

1/ This amount reflects programs that receive federal funds, such as the Emergency Solutions Grant and the National Housing Trust Fund programs.

2/ This amount reflects \$1 billion General Fund in both 2022-23 and 2023-24.

3/ This amount reflects \$300 million General Fund in 2022-23 and \$400 million General Fund in 2023-24.

4/ Of the \$2.2 billion total funds over 2021-22 and 2022-23, \$1.7 billion is General Fund and \$530 million is Coronavirus Fiscal Recovery Fund. 2022-23 includes \$277.5 million carried over from 2021-22.

5/ The proposal includes \$1 billion General Fund in 2022-23 and \$500 million General Fund in 2023-24.

6/ This program is part of the Home and Community-Based Services Spending Plan. This proposal includes \$650.2 million (\$325.1 million Federal Fund) in 2022-23 and \$649.4 million (\$324.7 million in Federal Fund) in 2023-24.

7/ The state provides a number of wrap-around supportive services through these programs, which cannot be separated from the balance of the program's general budget.

8/ These Basic Needs funding programs support basic needs partnerships for low-income students facing housing or food insecurity, and eligible expenditures in some cases may also include operational expenses for basic needs resource centers and hygiene products. These amounts exclude basic needs funding provided in the 2019 and 2021 Budget Acts to address student mental health. Program funding reflected for UC Basic Needs and UC/CSU/CCC Rapid Rehousing was provided on an ongoing basis in the 2019 Budget Act, and program funding for CCC Rapid Rehousing was increased by \$10 million ongoing Proposition 98 General Fund in the 2022 Budget Act. Program funding reflected for CCC and CSU Basic Needs was provided on an ongoing basis in the 2021 Budget Act. Program funding for CCC and CSU basic needs was increased by \$10 million ongoing General Fund and \$10 million ongoing Proposition 98 General Fund, respectively, in the 2022 Budget Act.