



March 5, 2024

The Honorable Gavin Newsom Governor of California 1021 O St., Ste. 9000 Sacramento, CA 95814

Senate President Pro Tempore Mike McGuire 1021 O Street, Ste. 8518 Sacramento, CA 95814

Senate Budget Chair Scott Wiener 1021 O Street, Ste. 8630 Sacramento, CA 95814

Senate Budget Subcommittee 4 Chair Steve Padilla 1021 O Street Ste. 6640 Sacramento, CA 95814 Assembly Speaker Robert Rivas 1021 O Street, Ste. 8330 Sacramento, CA 95814

Assembly Budget Chair Jesse Gabriel 1021 O Street, Ste. 8230 Sacramento, CA 95814

Assembly Budget Subcommittee 5 Chair Sharon Quirk-Silva 1021 O Street Ste. 4210 Sacramento, CA 95814

RE: Ongoing Funding to Address Homelessness in the 2024-2025 Budget

Dear Governor Newsom, Senate President pro Tempore McGuire, Assembly Speaker Rivas, Senate Budget Chair Wiener, Assembly Budget Chair Gabriel, Senate Sub 4 Chair Padilla, and Assembly Sub 5 Chair Quirk-Silva:

Thank you for your commitment to addressing California's most pressing humanitarian crisis: homelessness. The unprecedented state investments in addressing our homelessness crisis under your leadership have helped tens of thousands of Californians-more Californians than ever before-exit homelessness into permanent housing, access shelter and supportive services, and connect to care. As a result of this investment, California has significantly expanded the ability of our local homelessness response systems to increase access to interim and permanent housing, outreach, and targeted homelessness prevention. An unprecedented number of Californians are falling into homelessness. HUD data indicates that over 137,000 newly homeless people sought services for the first time in 2022 alone. Despite this increase, previous state investments and local homeless response systems helped to avoid an even greater number of unhoused residents.

The undersigned local government leaders, nonprofit service providers, advocates, and people directly impacted by homelessness humbly request you continue your commitment by prioritizing in the 2024-25 budget ongoing funding for housing and services solutions to address homelessness, including at least level funding of \$1 billion per year for the Homeless Housing, Assistance, and Prevention (HHAP) Program. Additionally, we ask that the \$360 million in Supplemental HHAP approved in AB 129, be released as outlined by the trailer bill and not be deferred to FY25-26, as proposed. These bonus funds were

appropriated by the Legislature years ago and are desperately needed to house more of our unsheltered Californians now. While we recognize that difficult budget decisions need to be made this year, prioritizing ongoing funding for housing and homelessness will save people's lives and is the only path to effectively address the most important issue facing our communities. Indeed, <u>the Sacramento Bee</u> has estimated over 5,000 Californians die each year from causes directly attributable to homelessness. People experiencing homelessness die 25-30 years younger than their housed counterparts and suffer worsening chronic health conditions the longer they are on the streets or living in shelters, exacerbated by the inability to sleep, store medications, and be safe from victimization.

Ongoing funding would be transformative. A commitment of ongoing funding would establish a baseline that local homeless response systems could rely on to build capacity, support our frontline workforce, and dedicate funding to a more comprehensive response. It will allow local recipients to fund long-term housing interventions that are difficult, often impossible, to provide with one-time funding, but that are the evidence-based solution to homelessness. It would allow the State to fund operating costs for interim and permanent housing and the vital services that must be paired with housing to support individuals and families, sustaining the success of critical programs like Homekey. Ongoing funding would reduce administrative burdens on state and local systems, allowing more resources to achieve reductions in homelessness. Put quite simply, we must invest ongoing funds to reduce the number of people experiencing homelessness. We look forward to working with you to secure ongoing funding at the scale needed to solve homelessness.

Solving homelessness will also require addressing our housing crisis through continued significant investments in building and preserving more affordable and supportive housing and increasing housing stability by helping individuals and families maintain their housing. Our homeless response systems, meant to be emergency responses to a humanitarian crisis, cannot solve our long-term and growing affordable housing gaps. Given the number of people falling into homelessness, we must continue to invest in affordable housing, particularly for our lowest-income populations. For this reason, we urge you to prioritize meaningful funding for affordable housing through the FY 24-25 budget.

We understand that increased funding comes with greater accountability at all levels of government. We welcome continued conversation on how to align metrics and set ambitious goals, define local and state roles in addressing homelessness, align expectations and accountability to the level of funding and authority, and ensure we are all achieving the collective outcome of reducing the number of people experiencing homelessness. Ongoing funding provides a critical accountability tool that allows the state to leverage future funding to improve underperforming programs and reward high performing ones.

We share a vision of a state in which all Californians have an affordable place to live and can access the services and care they need. Creating ongoing funding that is at least level with \$1 billion for HHAP would be a meaningful step towards realizing that future.

Thank you for your continued leadership and collaboration.

Sincerely,

Chris Martin

Christopher Martin Policy Director, Housing California Bring California Home

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Mayor Todd Gloria Chair, Big City Mayors Coalition City of San Diego

Graham Knaus Chief Executive Officer California State Association of Counties

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Carolyn M. Coleman Executive Director and CEO League of California Cities