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March 27, 2019

The Honorable Gavin Newsom  
Governor, State of California  
State Capitol Building, 1<sup>st</sup> Floor  
Sacramento, CA 95814

**RE: Homelessness Funding**

Dear Governor Newsom,

The California State Association of Counties (CSAC), Urban Counties of California (UCC), and the Rural County Representatives of California (RCRC) are pleased to partner with you on combatting the homelessness crisis in our communities. Our members bring experience and expertise to the issue as counties provide a wide array of services to combat homelessness. In follow-up to CSAC's March 15 letter, the undersigned county associations have had further conversations about ways in which our members collectively can partner with the state and our local partners to make lasting changes in responding to one of the most complex social challenges of our generation.

Counties strongly support your January Budget proposal to dedicate \$500 million in funding to local entities for emergency shelters, navigation centers, and meeting milestones. While we understand that proposed solutions are evolving, we wish to work with you to address the concerns and needs of our member counties. For counties, flexibility is the key to addressing the needs of the homeless population. This is why we respectfully request the inclusion of increased flexibility for local jurisdictions as each region strives to tackle homelessness with targeted, specific responses to local needs. Counties support additional state investments in strategies for addressing homelessness as well as a reprioritization of funds outlined in your proposed budget.

County leaders are utilizing our specialized services and responsibilities to find safe shelter for everyone in our communities. To continue this goal, our members support direct funding for these county-based programs. If counties are the recipients of this much-needed funding, they can utilize their unique position as regional leaders to coordinate with cities and other entities to meet the complex needs and circumstances in each jurisdiction.

In some counties, the Continuum of Care (CoC) funding model is working. In most cases, CoCs are robust and collaborative and have developed strategies to end homelessness that include the county, cities, and many community partners. However, in other jurisdictions, CoCs have manifested an overly-competitive environment that lacks coordination and vision to achieve lasting improvements for the chronically homeless.

Within the CoC model, some jurisdictions focus solely on short-term shelter while others address long-term needs that recognize the link between health and homelessness. At the local level, too much emphasis on short-term needs can create a “bottle-neck” of front-end services at shelters or navigation centers without properly facilitating movement throughout the continuum. To navigate the complex issues of homelessness, local entities should have the flexibility to coordinate the most effective use of these funds through CoCs or other county-led models—whichever is best to address the circumstances in each jurisdiction.

The draft trailer bill language implementing your January budget proposal may allow for an expanded use of the planning funds based on applicants demonstrating sufficient shelter capacity. However, this requires application to, and approval by, the Business, Consumer Services, and Housing Agency and potentially through the use of contract amendments. Given the unique position of each jurisdiction, counties, and in some cases CoCs, should be central in this decision-making process. Therefore, expanding the eligible uses of funds on the front-end would be consistent with the urgent needs of our members who are working to end homelessness.

Counties are also in strong support of your budget proposal to provide \$100 million in one-time funding to the state’s Whole Person Care (WPC) Pilot Programs to help address the housing needs of this population. Since 2016, California’s 25 WPC Pilot Programs have made considerable progress in addressing the unique and complex medical, behavioral, and social needs of our communities’ most vulnerable residents, many of whom are homeless or unstably housed. WPC connects clients to critical supportive housing services, including housing navigators, assistance with security deposits and move-in fees, and support in maintaining relationships with landlords and/or property managers. However, housing has remained a challenge for WPC Pilots, largely due in part to federal limitations on using WPC funds for most types of housing interventions. Additional investment of resources to ensure these clients are safely housed will further support efforts to improve their well-being.

Counties are in the best position to convert resources into on-the-ground housing assistance and wrap-around services to ensure individuals progress through the continuum. Counties have also learned that a key strategy for reducing homelessness is the availability of rental assistance programs to ensure that a more permanent housing option is available. In that spirit, we stand ready to work with your Administration and the Legislature to craft an effective local strategy to reduce homelessness and ensure the health and welfare of all Californians.

Respectfully,



Graham Knaus  
CSAC Executive Director



Jean Kinney Hurst  
UCC Legislative Representative



Paul Smith  
RCRC Vice President, Governmental Affairs

cc: The Honorable Holly Mitchell, Chair, Senate Budget and Fiscal Review Committee  
The Honorable Phil Ting, Chair, Assembly Budget Committee  
Ana Matosantos, Cabinet Secretary, Office of the Governor  
Tam Ma, Deputy Legislative Secretary, Office of Governor Newsom  
Keely Bosler, Director, Department of Finance

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