



State of California

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Gavin Newsom, Governor
Lourdes M. Castro Ramírez, Secretary

**California State Assembly
Committee on Budget
Subcommittee 4 on State Administration**

And

**California State Assembly
Committee on Housing and Community Development**

**Joint Informational Hearing
State Role on Homelessness**

January 21, 2021

**Written Testimony by Secretary Lourdes Castro Ramírez
California Business, Consumer Services and Housing Agency**

Introduction

I am Lourdes Castro Ramirez, Secretary of California's Business, Consumer Services and Housing Agency. Thank you, Chair Carrillo, Chair Chiu and members of the committee for inviting me to speak today about the state's increased leadership and efforts to develop a cohesive system and solutions to prevent and end homelessness. Let me also acknowledge you and the State Legislature for your focus, leadership, and significant investment of resources to address homelessness across the state.

BCSH is responsible for coordinating housing across the continuum from homelessness to homeownership. Today, I will focus on the two primary entities within BCSH responsible for implementing homelessness policies, and funding homelessness and housing activities: the Housing and Community Development Department and the Homeless Coordinating and Financing Council. Created in 2017 by state law, the HCFC Council is entrusted to implement and coordinate Housing First policies, guidelines, and regulations. The Council consists of 19 members including one member appointed by the Senate Committee on Rules and one by the Speaker of the Assembly.

915 Capitol Mall, Suite 350A, Sacramento, California 95814 (916) 653-4090 www.bcsh.ca.gov

Framing – State’s Coordination

I believe that Homelessness is solvable and requires focus, coordination across state systems, good data to inform and measure our progress, stronger state and local partnerships, and investment in innovative strategies. Our efforts must be grounded in addressing racial inequities. Black Americans and Indigenous people experience homelessness at a higher rate, this is largely due to long standing historical and structural racism. And, COVID19 has exacerbated these inequities. We must act with a shared responsibility to advance multi-pronged and multi-year solutions – to meet public health goals, increase sheltering and permanent housing options, and prevent increases in homelessness.

HCFC Background – Focus & Funding

In recent years, our Agency has been providing oversight of historic levels of funding to local jurisdictions. HCD has awarded over \$1.1 billion under the No Place Like Home program for the development of permanent supportive housing. Since 2018, nearly \$1.5 billion in funding has been provided to local governments and homeless continuums of care through the Homeless Emergency Aid Program (HEAP) and the Homeless Housing, Assistance and Prevention Program (HHAP). The flexible use of these funds has been critical to local communities. Also, the funding set-aside for youth in HEAP and HHAP has enabled communities to better serve this population. We have seen increased regional coordination and planning due to these investments. In administering these funds, we know there is a need for strong data to measure impact. This is one of the reasons, the Administration has embarked in the design of a robust data system to develop a more comprehensive understanding of local, state, and federal efforts to prevent and end homelessness.

Data

In November 2020, BCSH began building the state’s first-ever unified homeless data warehouse. The Homeless Data Integration System (HDIS) will allow the state to access and compile data from and in partnership with California’s 44 Continuums of Care (CoCs). All 44 CoCs have executed data-use agreements with BCSH. We are grateful for the partnership and for their confidence in this state led effort. With consistent and standardized data, we will be able to make informed programmatic and policy decisions, lift-up best practices, and drive accountability. We welcome the opportunity to provide the legislature with a live demonstration of the HDIS warehouse once launched.

Action Oriented Coordination

As we continue our efforts this year, it is important that we have a compass to guide our decisions. In the summer of 2020, we began developing the first HCFC Action Plan with input and data gathered from Council members, state agencies, key national and state experts, practitioners, providers, and persons with lived expertise from across California. This action plan will include goals and objectives and serve as our guiding star in our continued work to address homelessness in California. At its October 26, 2020 meeting, the Council adopted the Action Plan framework with five key Action Areas and based on an Equitable COVID19 Homelessness Response. As the Chair, I’m grateful for the Council’s work developing this comprehensive Action Plan and appreciate that you’ll be hearing from HCFC Council member Jody Ketcheside.

Role of Innovative Solutions

In addition to focus, data, and action-oriented solutions, solving homelessness requires that we also innovate and embrace new approaches. This has been the case with Project Roomkey and Homekey. Project Roomkey, administered by our colleagues in the Dept of Social Services, has

successfully provided medically necessary interim housing for over 23,000 people in 42 counties.

Building on the success of Project Roomkey, the state created Homekey to purchase hotels, residential care facilities, and other housing, and convert into permanent housing for persons experiencing homelessness, and who are also at risk of COVID-19. HCD leveraged \$750 million in federal Coronavirus Relief Funds plus \$50 million in General Funds and \$45 million in philanthropic dollars. In a matter of months, we were able to scale at an unprecedented level, providing over 6,000 units under budget and on time. We are appreciative for the extensive collaboration with our local partners including counties, cities, housing authorities and Tribes. They made it happen!

Homekey 2.0 (Budget Investments)

The Governor's budget proposes \$1.75 billion to develop housing needed to address homelessness including \$750 million in continued Homekey Acquisitions. We estimate that nearly 4,000 additional permanent housing units can be funded with this one-time investment. To sustain this momentum, the Administration is asking the Legislature to take early action by approving \$250 million for Homekey 2.0. Let me also share that California's innovative Homekey model is quickly becoming a best practice, reaching national and international recognition. To date, our team has spoken to Oregon, Washington, Vermont, Minnesota, New York City, New Mexico, HUD, and a team from Barcelona, Spain – all these partners are considering how to utilize this programmatic framework to effectively house vulnerable populations quickly and permanently.

Education And Outreach

Finally, as we move forward, we must continue to invest in education and outreach campaigns to increase awareness of the causes of homelessness including lack of affordable housing and the connection between health and housing. We should also invest in building local capacity to ensure that individuals experiencing homelessness are able to equitably access resources and housing with dignity and respect. In September of 2020, with the launch of the state's Housing is Key initiative, we were able to provide resources and tools to support tenants, landlords, homeowners and community partners – with a focus on keeping families safe and housed during these challenging times. In the coming weeks, we will announce technical assistance contract awards totaling \$4.75 million for all HHAP grantees, focusing on permanent housing solutions, racial equity, and solutions for youth homelessness.

Conclusion

Our Agency, departments and staff have been hard at work. We know that bold, innovative ideas infused with action, data and funding can lead to success as seen with Homekey. We are eager to continue the work this year building on past successes. There is still much more that needs to be done, but I do believe that we are making meaningful progress. I look forward to our continued partnership. Thank you for your time and attention.