



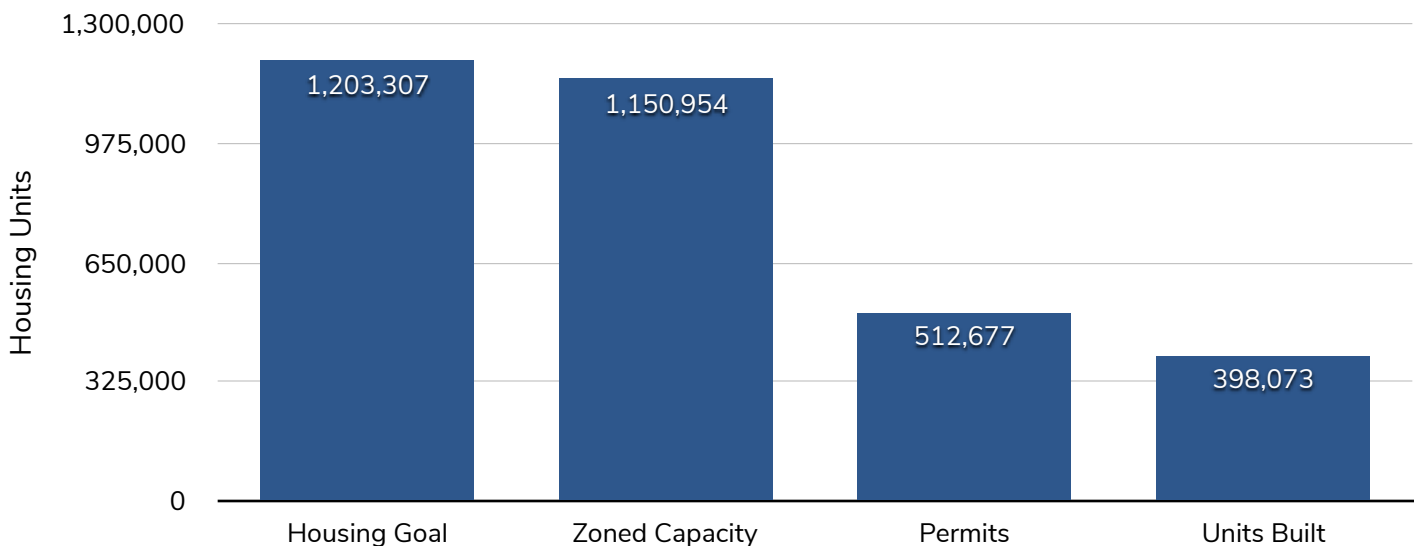
Housing & Homelessness

The COVID-19 pandemic exacerbated California’s existing housing crisis, and as many as 2.1 million Californians are at risk of eviction as a result once the eviction moratorium ends (currently extended through September 30, 2021 following the passage of [AB 832](#) in June 2021). AB 832 also includes [\\$5.2 billion for rent relief](#), which allows 100% of low-income tenants’ past due rent back to April 2020 and until the expiration of the eviction protections. Some 758,000 California households owe back rent and the average amount owed is \$4,700.

The state has dedicated new funding for affordable housing and to combat homelessness in recent years. Recent investments include ongoing revenue for affordable housing through real estate transaction fees (approximately \$277 million in 2021-22) and a \$4 billion housing bond passed by voters in 2018 to finance existing housing projects (Prop 1). Additionally, the 2019 Budget Act made significant one-time investments of \$1.75 billion to support efforts to accelerate housing production statewide, including \$500 million for infrastructure grants and \$500 million to finance the production and preservation of low- and moderate-income housing. The 2019 and 2020 Budget Acts also allocated a total of \$1 billion in expanded state housing credits. Since 2018, \$1.45 billion has been provided to local governments to address homelessness.

The 2021-22 May Revision includes more than \$12 billion (mix of state and federal funds) in homelessness funding over two years, including \$1 billion each year for local funding to combat homelessness. The budget also includes \$1.75 billion (one-time federal funds) to build back-logged affordable housing, \$300 million (one-time federal funds) to preserve existing affordable rental housing, and \$130 million (one-time federal funds) to build and maintain farmworker housing.

Gap Between Regional Housing Goals & Units Built



Data from the California Department of Finance

WHAT'S IN THE 2021-22 MAY REVISION & FINAL BUDGET

Housing: The May Revision continues to fund a number of housing-related programs:

- ▶ **\$500 million** (\$250 million for early action in 2020-21 and \$250 million in 2021-22) for the infill infrastructure grant (IIG) program which provides gap funding for infrastructure improvements required for infill development
- ▶ **\$750 million** over three years to build new behavioral health treatment facilities, with the Newsom administration estimating that this proposal will result in the addition of at least 5,000 beds, units, or rooms for behavioral health services
- ▶ **\$250 million** to acquire or rehabilitate residential care facilities for low-income seniors

Beyond the budget proposals, the proposed budget proposes statutory changes to encourage additional development on excess state land and the creation of a Housing Accountability Unit at HCD to further facilitate affordable housing production through monitoring and enforcement of existing housing production laws.

Homelessness: When the pandemic hit, the state launched **Project Roomkey** (using primarily federal COVID relief funds) to provide safe, non-congregate shelter through the securing of hotel and motel rooms for homeless individuals with a high-risk of COVID-19 and to prevent the spread in congregate settings. Between March and December 2020, the project as provided medically necessary interim housing for over 23,000 people in 42 counties. To build upon this project (subsequently renamed Project Homekey), the 2021-22 May Revision proposes an additional \$3.5 billion federal fund over two years to further develop a broader portfolio of housing needed to end homelessness through continued acquisitions of existing property and creation of new units.

The May Revision also includes \$475 million General Fund in both 2021-22 and 2022-23 to expand the existing CalWORKs Housing Support program. This program assists CalWORKs families experiencing homelessness to secure and maintain permanent housing and services include financial assistance and housing-related wraparound supportive services.

HOUSING & HOMELESSNESS KEY FACTS

- ➔ **Pandemic Impacts:** In August 2020, 14% of renters (597,000 households) and 9% of owners with a mortgage (337,000 households) were behind on their housing payments, with households of color more likely to be behind on their housing payments than non-Hispanic white households
 - ▶ Households with children are also at greater risk of experiencing housing instability: 10.5% of households with children (more than 540,000 households) are behind on housing payments compared to 5% of those without children
- ➔ **Affordable Rental Shortage:** Around 2.5 million low-income households are cost-burdened (spend >30% of their incomes on housing) and over 1.5 million are extremely cost-burdened (spending >50% of their incomes on housing) in California
 - ▶ There is a shortage of approximately 1.4 million affordable and available rental homes—currently only 378,000 for very low-income and 287,000 for extremely low-income
- ➔ **Preventing Loss of Home:** While statewide homeless data for 2020 is not available, Los Angeles County reported over 66,000 homeless individuals in January 2020, an increase of 13% from 2019
 - ▶ Despite the fact that LA placed an estimated 20,000 people experiencing homelessness into housing in 2019, the homelessness rate grew because even more people lost their place to live

*Data from the 2021-22 May Revision & final budget and LAO unless specified otherwise.