



## Approaches for Creating a Coordinated Supportive Housing Program in California

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California is in the midst of a crisis: not only a fiscal crisis, but a housing crisis. California has the largest homeless population in the nation, with one in 95 residents experiencing homelessness. Between 2008 and 2009, our homeless population increased by 3.4%, and the number of people experiencing chronic homelessness grew by an alarming 10.8%.

In the midst of our fiscal crisis, we must look for solutions that use our state's resources more effectively and efficiently. Permanent supportive housing is the only model proven to end homelessness for those facing severe barriers to housing stability—and it can be implemented through concrete, cost-effective strategies. Through this approach, we can end chronic homelessness.

*Creating an affordable housing trust fund, with an identified revenue source that will generate ongoing funding without tapping into the state general fund, has the potential for reforming the state's response to homelessness and for putting California on track for ending chronic homelessness.* A dedicated source of funding for a trust fund would offer a rare flexible source of revenue for creating permanent supportive housing. Such a fund could also serve to construct thousands of affordable apartments, the key to preventing and ending homelessness for the majority of people experiencing or at risk of homelessness.

To end chronic homelessness in California through an affordable housing trust fund, *the state could take a leadership position in addressing chronic homelessness by designing a coordinated "Supportive Housing Program" that contributes to the creation of 30,000 supportive homes in the next 10 years.* The Program could primarily help finance the "three legs of the supportive housing stool:" a "one-stop shop" for sponsors to apply for *capital funding for multifamily supportive housing creation, 15-year capitalized operating funds that allow for service coordination "above the line," and 15-year capitalized services funds.* A Supportive Housing Program could funnel existing resources toward the stated goal of creating more supportive housing to end chronic homelessness. Finally, the state could craft a coordinated process that promotes agency collaboration to advance public-private partnerships between state and local government, law enforcement, the non-profit sector, philanthropy, the business community, and consumers.

Though a housing trust fund with a dedicated revenue stream is essential to enacting an effective statewide response to chronic homelessness, some of these reforms can be advanced without a housing trust fund, given the political will to make them happen:

- With existing resources, the state could *create an interagency council on homelessness*, as coordination among state agencies and with local government is critical in reducing homelessness.
- The state could *redirect existing funds toward services or operating costs of supportive housing*, and ensure many existing program prioritize people experiencing long-term homelessness.
- Through federal funding, the state could *develop a "warehouse" to collect and analyze data* on homelessness, enabling the state to make more informed choices in using existing resources.
- The California Department of Housing and Community Development could undergo repairs to the existing Multifamily Housing Supportive Housing Program to *ensure funding is used effectively toward achievable outcomes*, including—
  - *Redefining the target population to reduce chronic homelessness:* Many of the projects created to date with housing bond funds have targeted people who probably would not have become homeless without supportive housing, and simply required an affordable home. The supportive housing model was intended to serve people who face significant barriers to

housing stability and should therefore be limited to those who are our most vulnerable residents, often the hardest to serve.

- Providing incentives for addressing the needs of highly vulnerable populations: Creating supportive housing for people who face numerous barriers to housing and health stability presents significant challenges. Projects that take on this mission should receive higher funding.
- Offering incentives for developing mixed-income projects: More supportive homes are located in mixed income housing than ever before. Toward this end, HCD could, in its application process, allow for sponsors applying for MHP-Supportive Housing funds to receive funding for affordable apartments created in the same project through the MHP-General fund.
- Fund non-residential supportive services space: The Supportive Housing Program should promote supportive services staff working onsite with tenants. Allowing funding for services space promoted provision of on-site services in supportive housing.

These recommended strategies, if adopted, could potentially end long-term homelessness for tens of thousands of Californians and, in the process, end the financial and moral burdens our communities bear in maintaining homelessness.

**Examples of Existing State-Controlled Programs that Could be Used for  
A California “Supportive Housing Program”**

Program	Agency Administering	Funds/Program Could be . . .
Federal & State Low-Income Housing Tax Credits	Tax Credit Allocation Committee	Prioritized/Set Aside for Supportive Housing for Chronically Homeless People
HOME & Community Development Block Grant	Dept. of Housing & Community Development	Used to Set Aside a Portion of Funding to Create Supportive Housing for Chronically Homeless People
Integrated Services for Mentally Ill Parolee Program	Dept. of Corrections & Rehabilitation	Prioritized for Parolees Exiting Prison Who are Likely to Discharge into Homelessness (i.e., were homeless upon arrest); Used to Provide Funding for Services in Supportive Housing & for Case Management Services While in Prison
Veterans Employment Training, Claims Representation in Cases with U.S. Department Of Veterans Affairs	Dept. of Veterans Affairs	Allocated for Some Staff or Resources to Provide Services in Supportive Housing Developments
Substance Abuse Prevention & Treatment Block Grants	Alcohol & Drug Programs	Used to Set Aside Resources for Drug/Alcohol Abuse Counseling & Treatment in Supportive Housing
Community Services Block Grant	Dept. of Community Services & Development	Used to Set Aside Resources for Rental Assistance, Vocational Services, and Money Management Services in Supportive Housing
Medi-Cal	Dept. of Health Care Services	For Medi-Cal Beneficiaries, Used to Pay Capitated Rates for Health-Impacted Services in Supportive Housing, including Case Management/Care Coordination, or to Provide Incentives to Health Plans to Pay Capitated Rates to

Community-Based Service Providers Offering Services