Introduction

The January 2017 point-in-time count\(^1\) found that homelessness in California increased 13.7 percent from 2016–17, making it one of 22 states to see an increase in the number of men, women and children experiencing homelessness. Statewide, 134,278 Californians were counted as homeless; however, experts agree that the number of people without housing is three to four times higher than the point-in-time count.

This marks a disturbing reversal of the trend from 2007–15, which had seen a 16.7 percent drop in the state’s homeless population. Of those counted in 2017, 68 percent or 91,642 people were unsheltered — by far the largest homeless population in the nation.

The Los Angeles metropolitan area witnessed an increase from 2016–17, bringing its homeless population to 57,794 people. Los Angeles is not alone, however; of the nation’s major cities with the largest homeless populations, three others in the top 10 are also located in California: San Diego (9,160), San Jose (7,394) and San Francisco (6,858). Rural and suburban parts of the state are equally impacted by this crisis — the largest percentage increases since 2007 have been in the far north (330 percent), El Dorado County (151 percent), Sonoma County (121 percent), Monterey and San Benito counties (115 percent), Yuba and Sutter counties (94 percent) and Placer and Nevada counties (74 percent).

Many smaller cities and counties that previously had little experience with homelessness are now wrestling with how to address a problem frequently called a humanitarian crisis.

For breakdowns of homelessness trends by region, see Appendix A.

League of California Cities and California State Association of Counties Joint Homelessness Task Force

Because the burden often falls on local governments to address homelessness in their communities, the California State Association of Counties (CSAC) and the League of California Cities (League) formed a Joint Homelessness Task Force (Task Force) in 2016 to examine strategies local governments can implement to overcome challenges, foster best practices and share ideas and resources to address this complex issue. Task Force members include elected officials and staff from cities and counties throughout the state as well as representatives from the League and CSAC (for a full list of members, see page i).

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The Task Force’s mission is “to provide needed education, identify resources and develop policy that cities and counties need to prevent, assist and reduce the number of individuals and families experiencing homelessness in our communities.” Task Force members agreed that while meeting the mission statement above, they would not let the “perfect” solution impede progress now. California is experiencing a homelessness crisis.

The Task Force spent the course of a year exploring and analyzing a variety of the best, promising and emerging practices that cities and counties are implementing statewide. It held four meetings to examine practices and results, met with experts in the field and consulted with front-line practitioners to discuss which practices worked best and did not work. Members heard from both city and county staff about implementation challenges, lessons learned and gaps and opportunities. In addition, they heard from experts on the current state of homelessness in California, including data, root causes and current resources.

### Causes of Homelessness

According to the National Coalition for the Homeless, the leading causes of homelessness include lack of affordable housing, poverty (influenced by the lack of employment opportunities and the decline in public assistance), lack of affordable health care, domestic violence, mental illness and addiction.\(^2\)

Nationally, veterans comprise 11 percent of the homeless population. In addition to the issues listed above, a large number of homeless veterans also face post-traumatic stress disorder (PTSD). These factors are often exacerbated by a lack of family or support systems.\(^3\)

California is home to 21 of the 30 most expensive rental markets in the nation. Not one of its counties has sufficient affordable housing stock to meet the demand of low-income households.

The cost of living is extremely high in California, and it takes the third-highest wage in the nation to afford housing, behind only Hawaii and Washington, D.C. In California, the statewide average fair market rent for a two-bedroom apartment is $1,386. To afford this level of rent and utilities — without paying more than 30 percent of its income on housing — a household must earn $4,619 monthly or $55,433 annually.

The state’s 2.2 million extremely low-income and very low-income renter households compete for 664,000 affordable rental homes.

In addition, homelessness is often exacerbated by addiction and mental illness. The number of psychiatric beds available statewide decreased by 30 percent between 1995 and 2010, according to the California Hospital Association.\(^4\)

Housing is often identified as a critical and missing link in preventing recidivism in the criminal justice system. Despite the expansion of evidence-based housing practices in many communities, homelessness remains a major problem for those in the justice system and those with unmet behavioral health needs. According to some estimates, as many as 50 percent of homeless people have been incarcerated at some point. Furthermore, people in jail have experienced homelessness 7.5 to 11.3 times more than people in the general population. Other statistics show an estimated one-third of the homeless population has had an unaddressed mental health condition. Among all homeless people, an

\(^2\) http://nationalhomeless.org/about-homelessness

\(^3\) http://nchv.org/index.php/news/media/background_and_statistics

\(^4\) https://www.calhospital.org/PsychBedData
estimated 23 percent also have mental health and/or substance abuse conditions.\(^5\)

Natural disasters and extreme weather events — like recent wildfires, floods and mudslides throughout California — displace thousands of Californians each year. Although FEMA and organizations such as the Red Cross provide immediate assistance for victims of natural disasters, individuals already living in poverty or without support systems may not be able to find new permanent housing options.

**Funding**

From 2005–15, federal investments in several critical housing development programs declined significantly. These include a 77 percent reduction in the U.S. Department of Agriculture’s Section 515 program (Rural Rental Housing Loans), a 55 percent reduction in the U.S. Department of Housing and Urban Development’s (HUD) Section 202 program (Supportive Housing for the Elderly), a 62 percent reduction in the HOME Investment Partnerships Program and a 50 percent reduction in Community Development Block Grants. These reductions, coupled with the Great Recession and severe housing market crash in 2007–08, inhibited local governments from addressing affordable housing and in turn amplified the homelessness crisis.

At the state level, the 2012 dissolution of California’s 60-year-old redevelopment program meant a loss of $1 billion annually in dedicated housing funding for cities and counties.

Over the past 15 years, three voter-approved bond measures — Prop. 46 (2002), Prop. 1C (2006) and Prop. 41 (2014) — authorized $5.6 billion in funding for affordable housing construction, including housing targeting homeless individuals and families. The vast majority of Prop. 46 and Prop. 1C funds have now been spent, however, and as of June 2016, approximately $390 million from Prop. 41 remained available.

Given these significant funding reductions, more focus has been placed on providing funding at the state and local levels. In 2016, the California Legislature created the No Place Like Home Program, and 2017 brought good news for affordable housing with the passage of several bills that could invest several billion dollars of bond funds in affordable housing and makes the first substantial commitment for ongoing funding for these purposes. These promising developments do not make up for the decrease in investments but will help move us forward.

Local governments are also using a variety of local funding sources to address homelessness. These sources include public safety funding and resources, local sales tax, animal care and regulation fees, transit or transportation assistance, development fees, transient occupancy taxes, bond proceeds and their local general funds.

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Change in Approach at the National Level

In 2009, the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act was signed into law. This act reauthorized the McKenney-Vento Homeless Assistance Act with significant amendments, including consolidating HUD’s competitive grant programs, creating a Rural Housing Stability Assistance Program, changing HUD’s definition of homelessness and chronic homelessness and increasing resources for prevention.6

In 2010, the Obama administration released Opening Doors: Federal Strategic Plan to Prevent and End Homelessness.7 The plan, which was revised in 2015, established ambitious goals, including ending chronic homelessness by 2017; preventing and ending homelessness among veterans by 2015; preventing and ending homelessness for families, youth and children by 2020; and creating a path to end all types of homelessness.

The plan built on successful efforts at the local and state levels that embraced an evidence-based Housing First model, which recognizes that stable housing paired with social services greatly increase a person’s chance to improve their mental and physical health, gain employment and realize other positive outcomes. This differs from traditional shelter models by welcoming all homeless individuals regardless of their circumstances, including those suffering from mental health problems and addiction. In addition to a growing track record of success, the Housing First model has shown the potential to reduce overall local costs incurred when localities provide social services to people where they are rather than allowing them to continue to cycle through emergency rooms, jails and treatment centers.

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6 https://www.hudexchange.info/homelessness-assistance/hearth-act/
Veteran homelessness fell by 47 percent nationally from 2010–16.\textsuperscript{8} Fifty-one communities (including Riverside and cities as large as Houston, New Orleans and Philadelphia) and three states (Connecticut, Delaware and Virginia) participating in the Mayors’ Challenge to End Veteran Homelessness\textsuperscript{9} have reached their goal. This success in effectively ending veteran homelessness demonstrates that homelessness is not an intractable problem.

The emphasis on Housing First programs and success resulted in states and local governments looking to places like Utah, which has used the approach to dramatically reduce homelessness. The U.S. Department of Housing and Urban Development has also made Housing First programs, like rapid rehousing and permanent supportive housing, central to its funding.

The change has not been without friction. Some shelters that have long received federal support have seen dramatic cuts, and some organizations (including faith-based organizations) have concerns about the fact that participants do not have to be sober to access services.

A number of California counties and cities have been pioneers in homeless services; even more have begun adopting the Housing First model in earnest. They have housed thousands of homeless individuals — and some are home to programs held up as national models. Yet collectively, California has failed to stem the tide of homelessness.

As the public health, environmental and public safety crisis grows, the pressure from residents and businesses on local governments to do more continues to increase.

**Hierarchy of Evidence**

*Best, Promising and Emerging Practices*

A number of efforts address homelessness, but what makes a best practice? The definition of a best practice is a solution or approach that has been proved successful through various tests and is proved effective across the board. Developing a best practice is a significant process that involves research, testing and refinement. Along the way, we may test approaches and solutions that may not be a best practice, but can be considered a “promising” or “emerging” practice. These different levels of practice refer to the Hierarchy of Evidence (shown below).

A promising practice is an effective solution or approach with sufficient evidence but that may not have enough to generalize the approach. An emerging practice refers to solutions or approaches that are new, innovative and “startup” in nature and may not have been sufficiently tested, but still hold promise and potential. These practices can warrant additional research and testing to eventually become best practices.

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9 https://www.va.gov/HOMELESS/endingVetshomelessness.asp

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**Hierarchy of Evidence**