

H HOUSING



Increase and maintain housing units across the spectrum

There is a significant housing shortage across the full housing continuum in California and the supply of permanent, affordable housing continues to be a considerable challenge to addressing homelessness. This is especially true for affordable housing to support Californians who are aged, disabled, justice involved, and/or have significant mental health or substance use disorder needs. Many jurisdictions also lack the infrastructure needed to provide basic shelter or interim housing to the unhoused population. In response to the COVID-19 pandemic, significant temporary federal and state funds were invested to increase capacity and provide housing and income protections to very low-income Californians, but many of those sources have expired or are expiring.

Siting shelters and supportive housing often draws significant resistance from community members, and counties and cities must continue to work to remove these barriers and identify and support the development of infrastructure needed to address homelessness. However, local governments do not have the tools and funding needed to develop these units to scale. Low-income housing projects are most often financed with a combination of tax-exempt bonds, federal and state tax credits, as well as other local funding sources. The state and federal sources of funding are significantly oversubscribed, which is limiting the number of projects that can go forward, especially in areas of the state that do not have large contributions from philanthropy for this purpose. Local governments have all too often seen projects stalled when local communities object to new housing, particularly for the most vulnerable populations.

TO ACCELERATE THE DEVELOPMENT OF HOUSING AND SHELTERS NEEDED TO ADDRESS HOMELESSNESS AND HELP INDIVIDUALS MAINTAIN THEIR HOUSING, THE FOLLOWING ACTIONS ARE RECOMMENDED:

- Advocate for more federal and state support to build and maintain housing for low-income Californians and develop creative financing models to increase the feasibility of more projects.
- Increase the development and operational support of permanent supportive housing and other housing tailored to support individuals with complex/high needs, including individuals with behavioral health needs, or justice involvement, including recovery residences.
- Create and fund flexible housing subsidies to supplement existing rental assistance efforts that could be targeted toward specific populations, such as older adults, individuals with disabilities, and individuals with behavioral health conditions.
- Increase the value, portability, and number of federal Housing Choice Vouchers. This could also include flexibility to serve individuals with unique challenges including behavioral health conditions. This could be achieved through a California or multi-state demonstration project or other action by the federal Department of Housing and Urban Development (HUD) or Congress.
- Provide separate and sufficient funding for housing for CARE Act participants.

- Provide alternate funding mechanisms to reduce local development and construction fees, such as the state's Infill Infrastructure Grant Program.
- Address significant barriers of well-intentioned tools and processes being used to block projects or create local challenges to growth.
- Categorically exempt all permanent supportive housing, shelters, and transitional housing that meet specified criteria from CEQA review.
- Combine and streamline the variety of existing state housing programs to focus these resources on creating permanent affordable housing. For example, the Department of Housing and Community Development has approximately 20 active state housing-related grant programs in 12 categories. Consolidating existing programs and adjusting statutory eligibility requirements can help focus these streams of funding to address the most critical aspects needed to construct permanent housing to address and prevent homelessness.
- Streamline a variety of existing development and construction-related statutes and codes to reduce the complexity of planning, permitting, and constructing affordable housing. This should focus on ensuring statutory requirements in Government, Public Resources, Health and Safety Codes as well as the Building Standards Code regulations work coherently to incentivize and streamline the delivery of affordable, equitable and safe housing.
- Pursue policies that allow additional temporary safe parking, gathering sites, and other non-traditional, innovative housing options.
- Remove additional state requirements for non-entitlement jurisdictions for HOME Investments Partnerships Program (HOME) and the Community Development Block Grant (CDBG) program funding.
- Advocate for flexibility in county social safety net programs to support housing stability and prevent homelessness.
- Advocate for several policy changes at the federal level:
 - Restore the 12.5 percent federal Low-Income Housing Tax Credits that expired at the end of 2021.
 - Lower the 50 percent test to 25 percent to decrease the amount of private activity bonds needed to access the housing tax credit.
 - Increase the statutory cap of Project-Based Vouchers (PBVs) from 20 percent to 50 percent.
 - Replace Fair Market Rental formulas with reasonable rate rental formulas.

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FOR MORE INFORMATION, CONTACT:

Danielle Bradley

CSAC Legislative Analyst for Health, Human Services and Homelessness

dbradley@counties.org

WWW.COUNTIES.ORG

California State Association of Counties

