



February 19, 2015

To: The Honorable Tony Thurmond, Chair
Assembly Budget Subcommittee No. 1

Honorable Members
Assembly Budget Subcommittee No. 1

From: Frank J. Mecca, Executive Director, CWDA
John Bauters, Policy Director, Housing California

Re: CalWORKs Housing Support Program Augmentation

The County Welfare Directors Association (CWDA) and Housing California respectfully request your consideration of a budget augmentation of \$30 million for the CalWORKs Housing Support Program (HSP). The HSP was enacted as part of the 2014-15 budget and assists homeless CalWORKs families by moving them directly out of homelessness and into permanent housing. In turn, stabilized housing supports families' efforts in reaching self-sufficiency. Currently funded at \$20 million, the HSP is expected to serve an estimated 6,900 children in 3,000 families in 2014-15. A \$30 million augmentation will enable the program to serve an additional estimated 10,350 children in 4,500 families.

- **The lack of stable housing undermines other efforts to help children and families.**
Research shows that safe and stable housing is essential to the well-being, health, and long term success of children and families. For children, homelessness contributes to impairments in cognitive development, physical health and emotional self-regulation, and interferes with learning and social relationships; the younger the child, the more devastating the consequences. For homeless parents, 84 percent of whom are single mothers, lack of secure housing is both a result of and contributes to employment loss, depression, and physical health problems. The difficulties of job seeking as a homeless person can be an insurmountable barrier to employment.
- **The CalWORKs housing support program, enacted by the Legislature and Governor in 2015-15, is a proven model.**
HSP is based upon the principles of rapid re-housing, an evidence-based model that gained national approval under the American Recovery and Reinvestment Act. Proven to be cost effective and have better outcomes than many other housing models, it moves families directly into permanent housing and out of homelessness. HSP has brought together housing experts from around the nation, Continuums of Care, local housing advocates and service providers, the California Departments of Social Services and Housing and Community Development, and County Human Services in a novel and collaborative effort to serve California's most disadvantaged families.

HSP is already demonstrating success. As of January 2015, three months into implementation, 419 families have been served. Counties project that they will serve an estimated 6,900 children in 3,000 families with the current funding.

- **The need and demand for the CalWORKs Housing Support Program is high.**
California accounts for 20 percent of the nation’s homeless population, according to the most recent report by the U.S. Department of Housing and Urban Development (January 2014.) What’s more, California accounts for the highest percentage of people experiencing homelessness in “unsheltered” locations, nearly 63 percent, as well as the highest number of chronically homeless families in the country. With respect to the CalWORKs program specifically, counties saw as much as a 98 percent increase in homeless CalWORKs families during the last recession. Yet even with the improved economy, homelessness among CalWORKs families continues to increase in some places, by as much as 70 percent over the past three years.

The high cost of housing in California contributes to poverty. The Public Policy Institute of California points out in an October 2013 report that high living costs, in particular housing costs, offset the resources that families have available to make ends meet. With the *maximum* aid payment for a family of three at a mere 45 percent of the federal poverty level, and the fair market rent for a two-bedroom apartment at \$1,341 per month, it is clear that poor families face incredibly large hurdles to self-sufficiency in California.

Forty-two counties sought a portion of the \$20 million provided to the HSP in its first year, requesting more than \$52 million in funding. In order to most effectively utilize the limited funding in the start-up year, twenty counties were provided an allocation. We continue to hear from counties not selected and counties that did not apply about the possibility of accessing this funding, and counties that are currently participating are looking to expand.

The goals of the CalWORKs program are to reduce poverty, increase employment and self-sufficiency, and improve child well-being. Housing instability undermines each of those goals. The HSP is a proven and successful solution to the problem of housing instability. Expanding HSP funding will improve the long-term prospects of children in CalWORKs families and reduce costs to taxpayers over the long run. We thank you for your consideration of this request.

cc: Gail Gronert, Office of the Assembly Speaker
Chris Woods, Office of the Assembly Speaker
Nicole Vazquez, Consultant, Assembly Budget Subcommittee No. 1
Julie Souliere, Consultant, Assembly Republican Fiscal Office
Mark Newton, Legislative Analysts’ Office
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County Caucus