

Date of Hearing: May 1, 2025

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

ACA 4 (Jackson) – As Introduced January 24, 2025

**SUBJECT:** Homelessness and affordable housing

**SUMMARY:** Amends the California Constitution to require 5% of the estimated amount of the General Fund (GF) to fund housing and services to prevent and end homelessness. Requires the Business, Consumer Services, and Housing Agency (BCSH) to develop a 10-year investment strategy to produce affordable housing and end homelessness using these appropriated funds. Specifically, **this bill:**

- 1) States this measure shall be known, and may be cited, as the Housing Opportunities for Everyone (HOPE) Act, creates the HOPE Account within the GF, and requires moneys in the HOPE Account to be appropriated by the Legislature to the BCSH to only fund the following:
  - a) Housing and services to prevent and end homelessness;
  - b) Development, acquisition, rehabilitation, and preservation of rental housing that is affordable to extremely low, very low, and low-income households, including necessary operating subsidies; and,
  - c) Affordable home ownership opportunities for low- and moderate-income households, including, but not limited to, down payment assistance and development of new units.
- 2) Requires BCSH to develop a 10-year investment strategy, with stakeholders' input, demonstrating how moneys in the HOPE Account will be used to produce affordable housing and end homelessness through specific performance measures and benchmarks.
- 3) Requires BCSH, on or before October 1 of each year, and until October 1, 2036, to annually report to the Legislature on its progress in meeting the performance measures and benchmarks contained in the investment strategy.
- 4) Requires the Controller, subject to a) and b) below, beginning in the 2027–28 fiscal year, and each fiscal year thereafter until September 30, 2036, and no later than October 1 of each fiscal year, to transfer from the GF to the HOPE Account a sum equal to or greater than 5% of the estimated amount of GF revenues for that fiscal year:
  - a) Requires the annual estimation of GF revenues to occur after all other GF obligations incurred by the State on or before the date upon which the measure that adds this provision becomes effective have been met, including, but not limited to, the State's funding obligation to the public school system and public institutions of higher education; and,
  - b) Permits the Legislature, upon the Governor's proclamation declaring a budget emergency and identifying the conditions constituting the emergency, to pass a bill that suspends or

reduces by a specified dollar amount for one fiscal year the transfer of moneys from the GF to the HOPE Account.

- 5) Defines “budget emergency” to mean an emergency declared by the Governor, within the meaning of existing state and local government spending limits or a determination by the Governor that estimated resources are inadequate to fund GF expenditures for the current or ensuing fiscal year at a level equal to the highest amount of total GF expenditures estimated at the time of enactment of any of the three most recent Budget Acts, adjusted for both of the following:
  - a) The annual percentage change in the cost of living for the State, as measured by the California Consumer Price Index (CPI); and,
  - b) The annual percentage growth in the civilian population of the State pursuant to existing law as described in 1) below, as that section read on January 1, 2025.
- 6) Makes the following findings and declarations:
  - a) As of January 2023, California has had an estimated 181,339 people experiencing homelessness on any given day;
  - b) 71% of homeless Californians were unsheltered, the highest rate in the nation, meaning that they were living in streets, parks, or other locations not meant for human habitation;
  - c) As local communities work to house the unsheltered, more people are falling into homelessness. Larger urban areas with high numbers of people experiencing homelessness have reported that more people are falling into homelessness than they are able to house;
  - d) Homelessness is a complex problem, but a source of homelessness is the high cost of housing;
  - e) In many parts of the state, many lower income residents are severely cost burdened, paying over 50% of their income toward housing costs. One small financial setback can push these individuals and families into homelessness;
  - f) In the current market, 2.2 million extremely low income and very low income renter households are competing for 664,000 affordable rental units;
  - g) Of the 6 million renter households in the state, 1.7 million are paying more than 50% of their income toward rent;
  - h) The National Low Income Housing Coalition estimates that the state needs an additional 1.5 million housing units affordable to very low income Californians;
  - i) The private market does not provide enough affordable housing to meet the needs. In 2020, the average rent in a market rate unit was \$1,900 per month;

- j) Many homebuyers are shut out of the market because they are competing against all-cash buyers for extremely expensive homes. In 2021, the average home price was \$633,896;
- k) Although the state has invested in addressing unsheltered homelessness and increasing the supply of affordable rental and ownership housing, the state does not have a multiyear funding strategy;
- l) Without a long-term strategy to fund moving people off the streets and into housing and preventing future homelessness by creating more affordable housing, the state cannot fully respond to the crisis;
- m) To build a sustainable response to homelessness and the affordable housing crisis, this proposal will allocate at least 5% (based on 2025–26 projected revenues of roughly \$200 billion) of the funding from the GF, or \$10 billion each year, for 10 years;
- n) This investment will allow the state to house at least 50,000 people who are homeless and build an additional 40,000 affordable housing units each year;
- o) State government will be required to create a 10-year investment plan that includes performance goals and metrics to ensure that these funds reduce homelessness and create more affordable housing; and,
- p) The funding provided by this measure is intended to be only the minimum amount of state resources put toward the goal of preventing and ending homelessness.

**EXISTING LAW:**

- 1) Defines a “change in population” for a local agency for a calendar year to mean the number resulting when the percentage change in population between January 1 of the next calendar year and January 1 of the calendar year in question, as estimated by the Department of Finance (DOF) for each city and county and existing law for each special district, plus 100, is divided by 100. For purposes of the state’s appropriations limit, “change in population” means the number resulting when the civilian population of the state on January 1 of the next calendar year, as estimated by DOF, is divided by the similarly estimated population for January 1 of the calendar year in question. (Government Code § 7901(b))
- 2) Established the Interagency Council on Homelessness (Cal ICH) to have and implement the following goals:
  - a) To identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California;
  - b) To create partnerships among state agencies and departments, local government agencies, participants in the United States Department of Housing and Urban Development’s (HUD) Continuum of Care Program, federal agencies, the United States Interagency Council on Homelessness, nonprofit entities working to end homelessness, homeless services providers, and the private sector, for the purpose of arriving at specific strategies to end homelessness;

- c) To promote systems integration to increase efficiency and effectiveness while focusing on designing systems to address the needs of people experiencing homelessness, including unaccompanied youth under 25 years of age;
- d) To coordinate existing funding and applications for funding. Clarifies that any action taken is prohibited from restructuring or change any existing allocations or allocation formulas: to ensure eligible applicants are informed of opportunities to apply for funding, requires Cal ICH staff to develop and regularly maintain a strategic funding guide and a calendar of new or existing funding opportunities; and, require agencies and departments administering state programs to provide Cal ICH updated information on new or existing funding opportunities on a quarterly basis;
- e) To make policy and procedural recommendations to legislators and other governmental entities;
- f) To identify and seek funding opportunities for state entities that have programs to end homelessness, including, but not limited to, federal and philanthropic funding opportunities, and to facilitate and coordinate those state entities' efforts to obtain that funding;
- g) To broker agreements between state agencies and departments and between state agencies and departments and local jurisdictions to align and coordinate resources, reduce administrative burdens of accessing existing resources, and foster common applications for services, operating, and capital funding;
- h) To serve as a statewide facilitator, coordinator, and policy development resource on ending homelessness in California;
- i) To report to the Governor, federal Cabinet members, and the Legislature on homelessness and work to reduce homelessness;
- j) To ensure accountability and results in meeting the strategies and goals of Cal ICH;
- k) To identify and implement strategies to fight homelessness in small communities and rural areas;
- l) To create a statewide data system or warehouse, which shall be known as the Homeless Data Integration System (HDIS), that collects local data through Homeless Management Information Systems (HMIS), with the ultimate goal of matching data on homelessness to programs impacting homeless recipients of state programs, such as the Medi-Cal program and CalWORKs. Requires, upon creation of the HDIS, all continuums of care (CoCs), as defined, that are operating in California to provide collected data elements, including, but not limited to, health information, in a manner consistent with federal law, to the HDIS;
- m) To set goals to prevent and end homelessness among California's youth;
- n) To improve the safety, health, and welfare of young people experiencing homelessness in the state;

- o) To increase system integration and coordinating efforts to prevent homelessness among youth who are currently or formerly involved in the child welfare system or the juvenile justice system;
- p) To lead efforts to coordinate a spectrum of funding, policy, and practice efforts related to young people experiencing homelessness; and,
- q) To identify best practices to ensure homeless minors who may have experienced maltreatment, are appropriately referred to, or have the ability to self-refer to, the child welfare system. (Welfare and Institutions Code § 8257(b))

**FISCAL EFFECT:** Unknown, this measure has not been analyzed by a fiscal committee.

**COMMENTS:** This analysis only discusses policy issues germane to the jurisdiction of the Assembly Committee on Human Services.

**Background:** *Homelessness in California.* According to the most recent count, California has the largest homeless population in the nation, with 161,548 people experiencing homelessness on any given night. Many of those individuals, 113,660, are unsheltered meaning they are living outdoors and not in temporary shelters. Nearly half of all unsheltered people in the country are in California. The reasons for homeless are varied but is driven, in large part, by the lack of affordable rental housing, the causes of which are complex and related to lack of sufficient inventory. In the current market, 2.2 million extremely low-income and very low-income renter households are competing for 664,000 affordable rental units. Of the 6 million renter households in the state, 1.7 million are paying more than 50% of their income toward rent.

According to a January 2021 report from the Legislative Analyst’s Office (LAO), “While homelessness is a complex problem with many causes, the high cost of housing in the state is a significant contributor. Rising housing costs that have exceeded growth in wages, particularly for low-income households, put Californians at risk of housing instability and homelessness.” The LAO report also found that Californians spent a larger share of their income on rent than households in the rest of the nation, and around 2.5 million low-income households spent more than 30% of their incomes on housing. Additionally, over 1.5 million low-income renters face even more dire cost pressures and spend more than half of their income on housing.

A recent LAO publication regarding the 2025-26 Budget notes that housing and homelessness are closely interrelated issues: “Lack of enough affordable housing for low-income households is a major reason why many people fall into homelessness. Likewise, people will stay homeless, or be at risk of homelessness, until they can find stable housing they can afford. . .since 2019-20, the state has provided about \$37 billion in funding for housing- and homelessness-related programs. The majority of this funding—which includes the state General Fund, special funds, voter-approved bonds, and certain federal funds—has been allocated to the Department of Housing and Community Development (HCD) and Cal ICH.”

In recent years, the federal government has moved to a Housing First model, which is an approach to addressing homelessness that prioritizes moving people quickly into permanent, affordable housing without precondition and then providing supportive services in order to prevent people from returning to homelessness. In 2016, SB 1380 (Mitchell), Chapter 847,

Statutes of 2016, created the HCFC, now called Cal ICH, which is tasked with coordinating the state's response to homelessness and implementing Housing First policies throughout the state.

*Continuums of Care.* At the local level, entities known as CoCs track, coordinate services for, and collect data on, the local homeless population. In many cases, a CoC is led by a county or non-profit organization, though in some cases, CoCs are led by a city. A CoC is comprised of a number of representatives of organizations that serve individuals facing homelessness, such as nonprofit homeless providers, governments, victim service providers, mental health agencies, affordable housing developers, law enforcement, and hospitals, among others. A key responsibility of a CoC is to designate and operate an HMIS, which is a local information technology system that is used to collect client-level data related to individuals and families experiencing homelessness, as well as the provision of housing and services to those individuals and families. There are currently 44 CoCs in California's 58 counties, and in 2024, HUD awarded approximately \$682 million to these entities to plan and coordinate funding for services to address homelessness.

Because the HMIS is composed of each CoC's database, the development of the HDIS was created to allow the state to access and compile standardized homelessness data collected by individual CoCs in order to make data-driven policy decisions aimed at preventing and ending homelessness. HDIS collects client information that is already required by HUD, as well as other information common to HMIS implementation. Phase I of HDIS focused on establishing a centralized, statewide data warehouse to aggregate and standardize information from the state's 44 local CoCs. Each CoC operates its own Homeless HMIS, and Phase I aimed to integrate these disparate systems into a cohesive platform. The integration of additional state-level programs, such as CalWORKs and CalFresh, is planned for Phase II of the HDIS project. This phase aims to incorporate data from various state departments to enhance the system's capacity for cross-sector analysis and service coordination.

*Housing and Homelessness Services within Social Services.* Cal ICH is co-chaired by the Secretary of the California Health and Human Services Agency (CalHHS) and is responsible for coordinating statewide policy and funding on homelessness, while the California Department of Social Services (CDSS) provides direct grant and housing assistance programs designed to assist families in crisis, seniors and vulnerable adults, people with disabilities, and helping families involved in the child welfare system to reunite.

CDSS oversees a number of housing programs that are administered and operated at the local level. CDSS' housing and homelessness programs are unique because they target specific populations and, typically, provide more than just housing. Anti-poverty advocates credit these programs for keeping these families housed. However, the funding for these programs is limited and unstable due to proposed cuts in the state budget. The following are CDSS housing programs:

- *Project Roomkey* provides non-congregate sheltering for people experiencing homelessness, to protect human life, and minimize strain on health care system capacity.
- *CalWORKs Housing Support Program (HSP)* fosters housing stability for families experiencing and at risk of homelessness. HSP assists CalWORKs families who are experiencing or at-risk of homelessness in obtaining permanent housing and can provide temporary shelter, help with moving costs, short to medium-term rental subsidies, and

wraparound case management. Since 2015, CalWORKs recipients approved for HSP have tripled. According to the Assembly Budget Subcommittee #2, nearly all counties report they could use additional funding to further meet the needs of their community. Counties have shared that they are seeing more families apply for CalWORKs who are unstably housed and are facing a myriad of other complex challenges including behavioral health, substance use, and domestic violence. Counties also note that ongoing services are typically needed to sustain a successful transition from CalWORKs. Counties have also reported that the core components of CalWORKs HSP have supported families in addressing barriers to housing in a way that most families could not have done on their own while experiencing homelessness. Some counties have found that families who have success in the HSP had extensive utilization of intensive case management, family stabilization supports, and subsidized employment.

- *CalWORKs Homeless Assistance (HA)* aims to help CalWORKs families meet the costs of securing or maintaining permanent housing or emergency shelter. The CalWORKs HAP serves eligible CalWORKs recipients, or apparently eligible CalWORKs applicants, who are homeless or at risk of homelessness. CalWORKs HA can provide payments for temporary shelter once every 12 months with exceptions, as well as payments to secure or maintain housing, including a security deposit and last month's rent, or up to two months of rent arrearages. The number of CalWORKs families approved for HA increased from 4.1% in 2015-16 to 11.5% in 2023-24. This represents approximately 63,004 families.
- *Bringing Families Home Program (BFH)* program helps reduce the number of families in the child welfare system experiencing or at risk of homelessness, increase family reunification, and prevent foster care placements. BFH serves families so they can achieve housing stability and successfully reunify.
- *Housing and Disability Advocacy Program (HDAP)* assists homeless and disabled individuals apply for disability benefit programs, while also providing housing support. HDAP requires that participating counties offer outreach, case management, benefits advocacy, and housing supports to all program participants.
- *Home Safe Program* supports the safety and housing stability of individuals involved in Adult Protective Services who are experiencing, or at imminent risk of experiencing, homelessness due to elder or dependent adult abuse, neglect, self-neglect, or financial exploitation by providing housing-related assistance using evidence-based practices for homeless assistance and prevention.

*HOPE Account.* This measure would amend the California Constitution to establish the HOPE Account, requiring at least 5% of GF revenues to be deposited annually from fiscal year 2027–28 through fiscal year 2036. This funding would be used exclusively for:

- Housing and supportive services to prevent and end homelessness;
- The development, acquisition, rehabilitation, and preservation of rental housing that is affordable to extremely low, very low, and low-income households, including necessary operating subsidies;

- Affordable home ownership opportunities for low- and moderate-income households, including, but not limited to, down payment assistance and development of new units; and,
- Affordable homeownership opportunities for low- and moderate-income households.

The Author contends the few dedicated streams of funding from the GF that prioritize homelessness or housing initiatives are insufficient. Many funds that are currently allocated are subject to cuts or removal from yearly budgets creating volatility in the housing space. The Author states this 10-year dedication will give the state a better ability to plan for services for our homeless population while construction on new homes takes place.

**Author's Statement:** According to the Author, "Homelessness and the affordable housing crisis are two of the most pressing issues facing Californians today. [This legislation] seeks to tackle these challenges by creating the Housing Opportunities for Everyone (HOPE) Account. This account would direct at least 5% of California's General Fund revenues each year toward homelessness prevention and the development of affordable housing. It is vital that California uses every tool available to ensure we are fulfilling our commitment to providing housing for all residents. This funding mechanism would create stability in the housing market, as the state could forecast housing needs on a yearly basis. To ensure accountability, the Business, Consumer Services, and Housing Agency would need to develop a 10-year investment strategy demonstrating how the funds in this account would be allocated. [This measure] is a critical step in creating a California where everyone has a place to call home."

**Equity Implications:** California's current budgetary and policy framework does not guarantee sustained, dedicated funding to address homelessness and the extreme shortage of affordable housing. Existing programs often rely on year-to-year appropriations, bond measures, or emergency allocations, which are reactive, inconsistent, and inadequate to meet the scale of need—especially in low-income communities and communities of color that are disproportionately impacted.

**Double referral:** This measure was previously heard in the Assembly Committee on Housing and Community Development on April 30, 2025, and was approved on a 8-2 vote.

**Policy Considerations:** This bill makes references to a HOPE Account; however, there is an existing HOPE Account which provides a trust account to an eligible child who lost their parents or guardian to COVID-19.

*Should this bill move forward, the author may wish to consider renaming this account to avoid confusion.*

**Proposed Committee Amendments:** The Committee proposes amendments to address policy considerations stated above to do the following:

- Rename this bill the Housing Opportunities Made Equitable (HOME) Act.
- Rename the account, the HOME Account.



**RELATED AND PRIOR LEGISLATION:**

*ACA 14 (Wicks) of 2022* was substantially similar to this measure. *ACA 14* was referred to the Assembly Committee on Appropriations but was not set for hearing.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

African Methodist Episcopal Church  
Agee Global Solutions, LLC (UNREG)  
Bryant Temple AME Church  
Carrie's Touch  
Friendship Community Development Corporation  
Inland Equity Partnership  
Resources for Community Development  
Ward Economic Development Corporation

**Opposition**

None on file.

**Analysis Prepared by:** Jessica Langtry / HUM. S. / (916) 319-2089