

CALIFORNIA SENATE OFFICE OF RESEARCH

DECEMBER 2021

Federal Update

FEDERAL COVID-19 RELIEF FUNDING FOR CALIFORNIA'S HOUSING AND HOMELESSNESS RESPONSE

OVERVIEW

At least \$14.2 billion in federal relief was allocated to the state of California's housing and homelessness response to COVID-19 (shown in the table on p. 5) through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020, the fiscal year (FY) 2020 Consolidated Appropriations Act (CAA), and the American Rescue Plan (ARP) Act of 2021. This includes funding expressly provided to state, local, and tribal governments and public housing authorities (PHAs) for COVID-19 housing and homelessness-related relief, as well as other flexible relief funding the state received and then allocated for the purposes of housing and homelessness response.

While this reflects the majority of the funds California received for housing and homelessness response, it does not include funds allocated directly to local governments through the [Coronavirus Relief Fund \(CRF\)](#) and the [Coronavirus State and Local Fiscal Recovery Fund \(CSLFRF\)](#), which those entities may have used for housing and homelessness response. It also does not include allocations or awards from some small funding programs (i.e., Housing for the Elderly, Persons with Disabilities, Fair Housing) nor Federal Emergency Management Agency reimbursements to the state and local governments for non-congregate shelter services to assist homeless and other at-risk populations.

Below is an inventory of housing/homelessness funds by program/legislative vehicle:

[Coronavirus Relief Fund \(CARES\)](#): Allocated to state, local, and tribal governments for various expenditures incurred in response to COVID-19, including care for the needs of homeless populations. California received \$15.3 billion from this fund: \$9.4 billion to the

state and \$5.8 billion allocated directly to cities and counties with populations exceeding 500,000:

- **\$1 billion** (approximately) of the state's share targets housing/homelessness needs with some suballocated to local governments.
 - \$750 million: Project Homekey
 - \$250 million: Project Roomkey/emergency homeless services

Community Development Block Grant–CV (CARES): Allocated to state and local governments for COVID–19 response primarily targeting low- to moderate-income populations, including seniors and homeless people. [Eligible activities](#) include facility construction/expansion, new/expanded public services, capacity building, and technical assistance. The law allows flexibility to target areas of greatest need and use of 2019–20 annual CDBG allocations for COVID–19 response. Funds were allocated by formula to [entitlement](#) jurisdictions and the state on behalf of non-entitlement communities. California distributed non-entitlement shares by formula through an expedited process. The state share provided additional funds to non-entitlement jurisdictions and Project Homekey applicants not originally funded through CRF:

- **\$643 million total**
 - \$113.2 million: State
 - \$37.8 million: Non-entitlement
 - \$492.0 million: Entitlement

Emergency Solutions Grants–CV (CARES): Allocated to eligible local governments to respond to COVID–19 impacts among people who are currently homeless or at risk and to support additional homeless assistance, prevention, and eviction prevention assistance (including rapid rehousing, housing counseling and rent deposit assistance). Formula allocations were made to grantees that received annual FY 2020 ESG awards and to the state on behalf of all other communities. The state distributed non-entitlement shares by formula through an expedited grant process:

- **\$950.2 million total**
 - \$315.7 million: State
 - \$634.5 million: Local

Housing Opportunities for Persons with AIDS (HOPWA) (CARES): Allocated to existing HOPWA grantees to maintain operations and for rental assistance, supportive services and other COVID response activities. Twelve California jurisdictions, including the state (on behalf of non-entitlement grantees), received a total of **\$7.15 million**.

Low-Income Household Energy Assistance Program (LIHEAP) (CARES/ARP): Allocated to [41 California LIHEAP providers](#), supplementing annual funding to assist low-income households with costs related to heating, cooling, and weatherization.

- **\$254.1 million total**

- \$49.7 million: CARES
- \$204.4 million: ARP

Native American Grant Programs (CARES/ARP): Allocated by formula to all federally recognized tribes through the Indian Housing Block Grant (formula) program, and competitively awarded through the Indian Community Development Block Grant (ICDBG) program, targeting populations at greatest risk. ICDBG-ARP competitive awards have yet to be announced.

- **\$55.3 million total**

- \$14.3 million: Indian Housing Block Grants (CARES)
- \$10.1 million: Indian Community Development Block Grants (CARES)
- \$30.9 million: Indian Housing Block Grants (ARP)

PHA Rental Assistance (CARES): Supplemental funding to offset increased costs to PHAs. Provided by formula to more than 130 California PHAs administering Section 8 Housing Choice Vouchers (HCVs) and through Public Housing Operating Fund (PHOF) allocations. Eligible expenditures include cleaning, transportation, childcare, and landlord incentive/retention expenses.

- **\$161.6 million total**

- \$145.3 million: Section 8 voucher supplements
- \$16.3 million: PHOF supplement

Foster Youth to Independence (FYI) Initiative: Provides HCVs to PHAs to assist homeless (or at risk) youth who have left (or are imminently leaving) foster care. In response to COVID, the Department of Housing and Urban Development (HUD)

increased flexibility in program eligibility to minimize risk of youth “aging out” and becoming homeless. Ten California PHAs received a total of **\$2.6 million** in awards.

Emergency Rental Assistance (CAA/ARP): Allocated by formula to state and local governments, to assist tenants unable to pay rent or utilities. Two separate programs with slightly different rules were established pursuant to CAA (ERA1) and ARP (ERA2):

- **ERA1: \$2.61 billion total**
 - \$1.497 billion: State
 - \$1.113 billion: Local

- **ERA2: \$2.065 billion total**
 - \$1.184 billion: State
 - \$880 million: Local

Coronavirus State and Local Relief Fund (ARP): Allocated to state and local and tribal governments for various COVID–19 response and economic recovery purposes, including housing and homelessness, to be spent over multiple FYs. The state of California received approximately \$27 billion, cities received approximately \$7 billion, and counties received \$7.6 billion. Of the state share, the following resources have been allocated through the state budget for housing and homelessness response:

- **\$4.795 billion total**
 - \$2.2 billion: Project Homekey
 - \$1.75 billion: Housing Accelerator
 - \$500 million: Regional Early Action Program
 - \$300 million: Portfolio Reinvestment Program
 - \$45 million: Scaling Excess Sites Program

HOME–ARP Program: Allocated by formula to state and local jurisdictions that received FY 2021 [HOME program](#) funding. Eligible expenditures include assisting individuals or households at risk of homelessness and other vulnerable populations

with housing, rental assistance, supportive services, and non-congregate shelter. HUD plans to allocate funds in mid-2022.

- **\$667 million total**
 - \$155 million: State
 - \$512 million: Local

Homeowner Assistance Fund (ARP): Allocated by formula to state housing finance agencies for prevention of mortgage delinquencies, defaults, foreclosures, loss of utilities, and displacement. The California Housing Finance Agency anticipates receiving a **\$1.055 billion** allocation in late 2021.

Emergency Housing Vouchers (ARP): Provides \$5 billion to fund vouchers for individuals who are homeless or at risk of homelessness or who are victims of domestic violence or human trafficking. To date, HUD has allocated \$1.5 billion to support 70,000 vouchers nationwide, including 17,000 for households in California. Vouchers are administered through PHAs.

**Federal COVID–19 Relief Funding for California’s
Housing and Homelessness Response**

| Funding Program | Program Subtotal | Program Total |
|----------------------------------|------------------|----------------------|
| CRF* | | 1,000,000,000 |
| Homekey | 750,000,000 | |
| Roomkey/Emergency Homeless Funds | 250,000,000 | |
| CDBG–CV | | 643,000,000 |
| State | 113,200,000 | |
| Non-entitlement | 37,800,000 | |
| Entitlement | 492,000,000 | |
| ESG–CV | | 950,200,000 |
| State | 315,700,000 | |
| Local | 634,500,000 | |
| HOPWA | | 7,150,000 |
| LIHEAP | | 254,100,000 |
| CARES | 49,700,000 | |
| ARP | 204,400,000 | |

| Funding Program | Program Subtotal | Program Total |
|--|-------------------------|-----------------------|
| Native American Grant Programs | | 55,300,000 |
| IHBG (CARES) | 14,300,000 | |
| ICDBG (CARES) | 10,100,000 | |
| IDBG | 30,900,000 | |
| Rental Assistance (PHA Support) | | 161,600,000 |
| Section 8 Vouchers | 145,300,000 | |
| Public Housing Operating Fund | 16,300,000 | |
| Foster Youth to Independence Initiative | | 2,600,000 |
| ERA1 | | 2,610,000,000 |
| State | 1,497,000,000 | |
| Local | 1,113,000,000 | |
| ERA 2 | | 2,065,000,000 |
| State | 1,184,000,000 | |
| Local | 881,000,000 | |
| CSLRF* | | 4,795,000,000 |
| Homekey (state) | 2,200,000,000 | |
| Housing Accelerator (state) | 1,750,000,000 | |
| Regional Early Action Program (state) | 500,000,000 | |
| Portfolio Reinvestment Program (state) | 300,000,000 | |
| Scaling Excess Sites (state) | 45,000,000 | |
| HOME-ARP | | 667,000,000 |
| State | 155,000,000 | |
| Local | 512,000,000 | |
| Homeowners Assistance Fund | | 1,055,000,000 |
| | | |
| Total Funds | | 14,265,950,000 |
| Emergency Housing Vouchers** | 17,000 vouchers | |

* This table does NOT include CRF or CSLFRF allocated directly to cities or counties, which those agencies may choose to direct to housing or homelessness purposes.

** HUD allocated \$1.5 billion in voucher funding nationally in the first tranche of 70,000 vouchers nationwide but did not publicly report state-by-state cost estimates.