

# PROJECT ROOMKEY AND PROJECT HOMEKEY

## Background

On March 4, 2020, Governor Newsom declared a state of emergency to facilitate the state's response to the global COVID-19 outbreak. On March 12<sup>th</sup>, the Governor signed Executive Order N-25-20, which directed the California Health and Human Services Agency (HHS) and the state Office of Emergency Services (CalOES) to identify and make available hotels and other similar facilities to be used as temporary residences for quarantining and treating individuals who have tested positive or have a high-risk exposure to COVID-19.

On March 17, 2020, the Governor signed SB 89 (Committee on Budget and Fiscal Review, Chapter 2, Statutes of 2020), which provided \$150 million in current-year General Fund monies to support state and local governments in protecting the health and safety of people experiencing homelessness in response to COVID-19. Of this funding, \$100 million was allocated to the Homeless Coordinating and Financing Council to provide funding to local governments, including large cities, counties, and continuums of care. The remainder was allocated to the Department of Social Services (CDSS) to support the use of hotel/motel occupancy agreements, self-contained trailers, and core operating support services associated with emergency placements.

On March 18, 2020, the Governor signed Executive Order N-32-30, which authorized local governments to expand emergency shelter and isolation capacity for people experiencing homelessness during the COVID-19 pandemic.

## Project Roomkey

On April 3, 2020, Governor Newsom announced a new initiative, "Project Roomkey," to provide up to 15,000 hotel and motel rooms for individuals experiencing homelessness in California to protect them and the public from COVID-19. By providing non-congregate shelter options for individuals experiencing homelessness, Project Roomkey gives people who are experiencing homelessness, have been exposed to COVID-19, or who are experiencing homelessness and are at high risk for medical complications should they become infected, a place to recuperate and safely quarantine outside a hospital.

Project Roomkey is administered by CDSS, working in partnership with the state Department of General Services (DGS), the California Businesses, Consumer Services, and Housing Agency (BCSH), and CalOES. Under Project Roomkey, state and local governments receive up to 75% cost-share reimbursement from the Federal Emergency Management Agency (FEMA) for hotel rooms, motel rooms, and self-contained trailers, as well as wraparound supports such as meals, security, and custodial services. (California was the first state to obtain FEMA funding for efforts to protect individuals experiencing homelessness, from COVID-19.) Local governments can also draw on the \$150 million provided by SB 89.

Under Project Roomkey, the state provides dedicated support teams to counties, including assistance in identifying hotels, negotiating and executing operating agreements, and providing technical assistance to local providers in maintaining records necessary to receive federal reimbursement. Local governments are responsible for identifying which shelter clients or encampment residents are selected for these hotel isolation placements and transporting them to the hotels for intake.

### *Project Roomkey Outcomes*

According to a May 2024 report<sup>1</sup> evaluating the efficacy of the Roomkey program, it served approximately 62,000 people across the state. It was its most robust across the state from April 2020 through June 2021, peaking at more than 16,000 committed hotel/motel rooms in October 2020. After June 2021, the program began to slowly ramp down. As of December 2023, eight of the initial fifty counties and four Tribal jurisdictions still operated at least one site that provided non-congregate shelter to people experiencing homelessness.

According to data provided by CDSS, across California 22% of Roomkey participants exited to permanent housing, which could be subsidized or unsubsidized. Another 11% went to temporary housing – temporarily staying with friends or family, transitional housing, or motels that were not part of the program. Twenty-five percent went to other emergency shelters, and 15% to an unsheltered setting. Despite their vulnerable health conditions, only four percent exited to institutional settings such as hospitals, board and care, nursing homes, or substance-use treatment facilities. Approximately 23% of PRK exit destinations were recorded as unknown (18%) or other (5%). HMIS data from Los Angeles, Ventura, and Tulare counties suggest that, the longer someone stayed in PRK, the less likely they were to exit to homelessness and the more likely they were to exit to permanent housing.

The May 2024 report noted that Roomkey offered features not available in many other emergency shelter settings that encouraged program participants who had previously been resistant to using shelters. Notably, the program offered individual rooms where people could bring their possessions and not be separated from their pets, which granted privacy, autonomy, and safety. Additionally, Roomkey enabled some participants to receive health care and other services for untreated health conditions for the first time since they began experiencing homelessness.

### Project Homekey

On July 16, 2020, Governor Newsom announced “Project Homekey” as the next phase in the state’s response to protecting Californians experiencing homelessness who are at high risk for serious illness and are impacted by COVID-19. Project Homekey provides \$600 million in grants to counties, cities, and other government entities, including housing authorities or federally recognized tribal governments within California. These funds may be used to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other types of innovating housing, and convert them into permanent, long-term housing for people

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<sup>1</sup> *Evaluation of California’s Project Roomkey Program*. May 2024. Abt Associates. Accessible here: <https://www.abtglobal.com/prk>

experiencing or at risk of homelessness. To help spur these efforts, the Legislature passed AB 83 (Committee on Budget, Chapter 15, Statutes of 2020), which provides an exemption from the requirements of the California Environmental Quality Act (CEQA) for site acquisition for Project Homekey.

Initial funding for Project Homekey was provided primarily through the federal Coronavirus Aid Relief Funds (CARES) Act (\$550 million), with the remainder allocated from the General Fund (\$50 million). On October 23, 2020, the Governor announced that the Joint Legislative Budget Committee had approved his request for an additional \$200 million in CARES Act funds to fund approximately 20 additional Homekey projects on a waitlist. This brings the total funding for Homekey to \$800 million. Earlier in October, the Governor announced a partnership with Enterprise Community Partners, a nonprofit dedicated to developing affordable housing, to distribute \$45 million in funding (\$20 million from Blue Shield of California and \$25 million from Kaiser Permanente) to support operating subsidies for Homekey projects.

All awards stemming from CARES Act funds had to be spent by December 30, 2020, pursuant to federal requirements; the \$50 million in General Fund monies must be spent by June 30, 2022. Applicants must demonstrate a five-year commitment to provide operating funds for the proposed project. The first two years of operating funds may include an award from the \$50 million in General Fund monies; matching contributions may come from federal, state, local, and private sources. Project Homekey is administered by the state Department of Housing and Community Development (HCD), which, along DGS, provides technical assistance to help local governments apply for funds in a timely manner to meet the abbreviated deadlines.

HCD began accepting applications for Project Homekey on July 22, 2020.

### *Project Homekey Outcomes*

According to HCD, since its inception in 2020, Homekey has awarded over \$3.35 billion to 245 projects (the \$3.35 billion funding included \$2.96 billion in federal funding and \$400 million in state General Funds), which will quickly and cost-effectively create 15,009 units of housing. The 245 projects are expected to serve 246,857 people over the projects' affordability term.