

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 12th, 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 17th, 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 (DSS) to support the use of hotel/motel occupancy agreements, self-contained trailers, and core operating support services associated with emergency placements.

On March 18th, 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 DSS, 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. 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 Project Roomkey projects that meet specified requirements.

Project Homekey

On July 16th, 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 experiencing or at risk of homelessness.

Funding for Project Homekey is provided primarily through the federal Coronavirus Aid Relief Funds (CARES) Act (\$500 million), with the remainder allocated from the General Fund. All awards stemming from CARES Act funds must be spent by December 30, 2020, pursuant to federal requirements; the \$50 million in General Fund monies must be spent by June 30, 2022. Project Homekey is administered by the state Department of Housing and Community Development (HCD), which, along with 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 22nd. By August 13th, the priority application deadline, HCD received 138 applications from 67 jurisdictions across the state, with a total of nearly \$1.1 billion requested. As of September 22nd, HCD had awarded two rounds of Project Homekey funds:

- First round (September 14th): nearly \$77 million awarded to seven jurisdictions for 10 projects (579 units).
- Second round (September 20th): more than \$236 million awarded to 12 jurisdictions for 20 projects (1,810 units).

Additional awards are expected weekly until all \$600 million has been awarded.