

# CALIFORNIA SENATE OFFICE OF RESEARCH

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## *Federal Update*

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

#### OVERVIEW

At least \$14.5 billion in federal relief was allocated for the state of California's housing and homelessness response to COVID-19, as a result of funding authorized in 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 provided to state, local, and tribal governments and public housing authorities (PHAs) expressly for COVID-19 housing and homelessness assistance, 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 and homelessness response funds by program and legislative vehicle. For a cumulative snapshot, see the table on pages 6-7.

**[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, including

\$9.4 billion to the state government and \$5.8 billion allocated directly to cities and counties with populations exceeding 500,000.

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

**Community Development Block Grant (CDBG)–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 (ESG)–CV (CARES)**: Allocated to eligible local governments to respond to COVID–19 impacts among people who are currently homeless or at risk of homelessness, 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

**Low-Income Household Water Assistance Program (LIHWAP) (CARES/ARP)**: Funds allocated through the [California Department of Community Services and Development](#) to 41 local service providers to assist low-income households with residential water utility costs, including paying down arrearages. Pursuant to federal guidance, programs should be modeled on existing processes, procedures, and policies such as those already in place for LIHEAP.

- **\$116.5 million total**
  - \$65.3 million: CARES
  - \$51.2 million: ARP

**Native American Grant Programs (CARES/ARP)**: Allocated by formula to all federally recognized tribes through the Indian Housing Block Grant (IHBG) program and competitively awarded through the Indian Community Development Block Grant (ICDBG) program, targeting populations at greatest risk. As of December 2021, the U.S. Department of Housing and Urban Development (HUD) has awarded approximately \$125 million of \$280 million in ICDBG–ARP competitive grant funds.

- **\$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)
  - \$18.2 million: Indian Community Development 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-19, HUD increased flexibility in program eligibility to minimize the 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, local, and tribal governments for various COVID-19 response and economic recovery purposes, including housing and homelessness response, 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

**Elementary and Secondary School Emergency Relief—Homeless Children and Youth (ARP–HCY) (ARP)**: Allocated to state educational agencies with at least 75 percent sub-granted to local educational agencies. Eligible uses include for identifying homeless children and youth, providing wraparound services to address the challenges of COVID–19, and enabling homeless children and youth to attend school and fully participate in school activities. Funds were distributed in two separate disbursements:

- **\$98.8 million total**

- \$24.7 million: ARP Homeless I
- \$74.1 million: ARP Homeless II

**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. As of December 2021, 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**

<b>Funding Program</b>	<b>Program Subtotal</b>	<b>Program Total</b>
<b>CRF*</b>		<b>\$1,000,000,000</b>
Homekey	\$750,000,000	
Roomkey/Emergency Homeless Funds	250,000,000	
<b>CDBG-CV</b>		<b>643,000,000</b>
State	113,200,000	
Non-entitlement	37,800,000	
Entitlement	492,000,000	
<b>ESG-CV</b>		<b>950,200,000</b>
State	315,700,000	
Local	634,500,000	
<b>HOPWA</b>		<b>7,150,000</b>
<b>LIHEAP</b>		<b>254,100,000</b>
CARES	49,700,000	
ARP	204,400,000	
<b>LIHWAP</b>		<b>116,500,000</b>
<b>Native American Grant Programs</b>		<b>73,500,000</b>
IHBG (CARES)	14,300,000	
ICDBG (CARES)	10,100,000	
IHBG (ARP)	30,900,000	
ICDBG (ARP) <i>to date</i>	18,200,000	
<b>Rental Assistance (PHA Support)</b>		<b>161,600,000</b>
Section 8 Vouchers	145,300,000	
Public Housing Operating Fund	16,300,000	
<b>Foster Youth to Independence Initiative</b>		<b>2,600,000</b>
<b>ERA1</b>		<b>2,610,000,000</b>
State	1,497,000,000	
Local	1,113,000,000	
<b>ERA2</b>		<b>2,065,000,000</b>
State	1,184,000,000	
Local	881,000,000	

<b>Funding Program</b>	<b>Program Subtotal</b>	<b>Program Total</b>
<b>CSLRF*</b>		<b>4,795,000,000</b>
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	
<b>HOME-ARP</b>		<b>667,000,000</b>
State	155,000,000	
Local	\$512,000,000	
<b>ARP-HCY</b>		<b>98,800,000</b>
<b>Homeowners Assistance Fund</b>		<b>1,055,000,000</b>
<b>TOTAL FUNDS</b>		<b>\$14,499,450,000</b>
Emergency Housing Vouchers**	17,000 vouchers	

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

**Written by Ted Link Oberstar with Bridgett Hankerson.** The California Senate Office of Research is a nonpartisan office charged with serving the research needs of the California State Senate and assisting Senate members and committees with the development of effective public policy. The office was established by the Senate Rules Committee in 1969. For more information, please visit <http://sor.senate.ca.gov> or call (916) 651-1500.