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California State Senate

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BUDGET SUBCOMMITTEE #5
ON CORRECTIONS, PUBLIC SAFETY,
JUDICIARY, LABOR &
TRANSPORTATION

March 17, 2023

UPDATE/RECEIVED

3/20/2023

The Honorable David Alvarez, Chair
Joint Legislative Audit Committee
1020 N Street, Room 107
Sacramento, CA 95814

RE: Request for Audit on Public Funds related to Homelessness

Dear Chairman Alvarez,

We respectfully request the Joint Legislative Audit Committee authorize an audit of public funds intended to alleviate homelessness throughout the state. Specifically, we would like to know how the state and cities used state, federal and local funds to address the homelessness crisis and how effective the investment of public funds has been to date.

In the city of San Jose, the homeless population continues to grow despite housing investments. In 2019, the City experienced a 40 percent increase in its unhoused population from 4,350 individuals to 6,097. According to homeless census data released in May 2022, that number increased to nearly 7,000 unhoused individuals and accounts for the majority of Santa Clara County's 10,000 unhoused individuals. Although the City has invested money in homeless prevention measures, for every person connected to housing, two more experience homelessness for the first time. Meanwhile a majority of cities in Santa Clara County have reduced homelessness.

San Jose has also had one of the largest homeless encampments in the Bay Area—the Columbus Park encampment, which at the peak of the pandemic included over 400 residents. Although the City provided certain services at the encampment in 2022, such as trash collection and housing outreach, individuals residing at the encampment raised health and safety concerns directly to my office. In addition, because of the encampment's close proximity to nearby Mineta San Jose International Airport flight paths, the City was at risk of losing certain airport-related federal funds. To avoid losing federal funds, the City set a three stage plan to clear the encampment in 2021. The plan was delayed and the encampment was not cleared until October of 2022. However, the question remains about where its population has relocated. For example, some individuals from the encampment have moved across the street onto separate city property while some hoped to relocate to a safe parking site near the Santa Teresa VTA Station, which has been approved by city council however remains unopened.

In light of these conditions, the effective and efficient use of external funds to address homelessness is of critical importance. We respectfully request that the State Auditor conduct a review of the state's

and two municipalities' (San Jose and one selected by the State Auditor) use of state and federal funds for homelessness to determine the following:

- 1 Review and evaluate the state's structure and efforts for funding and addressing homelessness, including the role of the California Interagency Council on Homelessness
 - a. Review measures in place to calculate programs' costs effectiveness, and identify how many homeless individuals received shelter and services
 - b. Identify any laws or regulation that impede state or local jurisdiction efforts to assess and track homeless populations
 - c. Identify any impediments to state and local jurisdictions sharing data and collaborating in a meaningful way
- 2 Has the State's investment been effective? What goals are established in city policy or plans for ending homelessness? Are the two cities meeting those goals?
- 3 How much have the cities received in state and federal funding for homeless programs—including Project Roomkey, Project Homekey, and federal stimulus funds—in the past three fiscal years? How have the cities allocated and spent those funds, and have they spent the entire allocations? Are the funds and associated staff being used appropriately and effectively, and consistent with the intent of those funds?
 - a. What allocations were made to city administration if any, for example charges for City Hall or other City facilities, charges or allocations for the City Manager and/or City Council and Mayor and their staff, or any other overhead or non-programmatic charges?
- 4 What portion of non-city funding has it used to reduce homelessness, and what outcomes has it achieved? Specifically
 - a. How many unsheltered individuals have the two cities placed in shelter or housing during each of the past three fiscal years? Into what types of shelter or housing have the cities placed them? How do the cities' placement rate compare to the growth rate of its unsheltered homeless population?
 - b. What is the turnaround time for occupancy of vacant beds and facilities controlled by the cities or their contracted providers?
 - c. How effectively and efficiently have the cities dispersed funds to service delivery organizations? (E g , cycle time and timeframe between receiving and dispersing funds)
 - d. For individuals the cities have placed in shelter or housing, how long did it take to do so, and how much did the cities spend on services for individuals while they were unsheltered compared to after they were placed?
 - e. To the extent that the cities maintain demographic data on their unsheltered homeless population, are there segments of the population that are underserved? If so, why, and are there additional funding opportunities or homeless programs the cities could pursue to better serve those segments of the population?
 - f. What have been the permanent housing outcomes associated with the programs and services funded through these sources?
- 5 What portion of funding have the cities used to ensure the health and safety of the unsheltered homeless population, and what outcomes have been achieved? In particular
 - a. How have the cities identified public safety and health issues, such as rodent infestations and the accumulation of trash, at encampments (e g , the Columbus Park encampment)?
 - b. Have the cities effectively provided services to address those issues and mitigate their impact on the population of encampments and surrounding areas? To what extent have

the cities worked with the respective counties, including its Public Health Department, to do so?

- 6 How effectively have the cities utilized other public funds, including local funds, to address homelessness?
 - a. For the City of San Jose, how have Measure E (Real property transfer tax) funds been used effectively to alleviate homelessness?
 - b. How many FTE of city staff are engaged in work abating homeless encampments, including management and clean up (e.g. Department of Parks, Recreation and Neighborhood Services' Beautify) and what are the annual operations costs of administering these programs over the last three years? How many FTE of city staff are focused on solutions to homelessness (temporary housing, permanent supportive housing, rapid rehousing, and homeless prevention) within the Housing Department and what are the annual operations costs of administering these programs over the last three years?
- 7 What are the cities' proposed sites for building temporary shelter housing and permanent housing?
 - a. What are the cities' policies and processes for approving sites? How many approved sites are city owned or controlled?
 - b. Are the approved sites distributed amongst city council districts equitably?
 - c. Have the cities identified potential sites for both permanent housing and temporary housing? If so, which sites have been identified and what plans do the cities have to build more housing there?

Thank you for your consideration of this request. If you have any questions or require further information, please contact Roy Tongilava at (408) 558-1295

Sincerely,



Hon. Dave Cortese
Senator, 15th District



Hon. Evan Low
Assemblymember, 26th District



Hon. Josh Hoover
Assemblymember, 7th District



Hon. Rosilcie Ochoa Bogh
Senator, 23rd District

Roger Niello

Hon. Roger Niello
Senator, 6th District