



## **TEAM: COMMUNITY RESOURCES**

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## **SUBJECT: FISCAL YEAR 2027 APPROPRIATIONS REQUESTS**

### **REQUESTED ACTION:**

- Retain funding for critical federal programs: HOME, Continuum of Care, Housing Choice Vouchers (HCV), VASH, Public Housing, Family Unification vouchers, Foster Youth Initiative vouchers, CDBG, ESG, HOPWA, TANF.
- Increase funding levels for homeless and housing programs to keep up with higher rents and costs of living, increase voucher assistance to eligible applicants, and remove administrative burdens on Continuums of Care (CoCs).

### **HOW THIS SUPPORTS BUSINESSES:**

For people to be able to work, they first need a stable roof over their heads. Existing federal programs provide funding for vital housing and social services, primarily through HUD, which, if reduced or eliminated, would negatively impact the region's business climate by leading to higher unemployment and increased homelessness. The United States Interagency Council on Homelessness has found that "the lack of stable housing leads to costly cycling through crisis-driven systems like emergency rooms, psychiatric hospitals, detox centers, and jails".<sup>1</sup> These costs are largely borne by local governments and divert critical resources that could be used to improve communities, maintain infrastructure, and develop our economies.

Rental assistance programs, such as the Housing Choice Voucher program, are the most effective way to prevent homelessness and support the necessary safety net for unstably housed families on the brink of homelessness. One study has shown that providing rental assistance reduced homelessness of participants by three-quarters compared with homeless participants who were not offered rental assistance.<sup>2</sup> Similarly, another study found that rental assistance was much more cost-effective compared to other interventions.<sup>3</sup> When paired with workforce incentives, one program



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has shown to increase employment earnings among public housing participants by 20%.<sup>4</sup> Temporarily disregarding income from apprenticeships, career-connected learning, and digital skills training from earnings calculations will incentivize low-income housing residents to become trained in upcoming careers, targeting high growth industries such as clean energy, AI, healthcare and infrastructure or high-need public service careers in public safety, emergency medical services, and recreation.

Continuing waivers, such as presumptive eligibility, allow nimbler placement of the over 9,000 homeless households in our region into available housing, avoiding processing times that risk losing communication with the client and wasting efforts. Similarly, effective strategies like eviction prevention and modest investments of funding can help reduce the inflow of people needing deeper and more costly homeless resources. In the City of Sacramento, a recent investment of \$2.4 million in prevention funding coupled with extensive provider training on problem solving has resulted in over 780 households diverted or rapidly exited from homelessness of which 85% remaining stably housed after 1 year of targeted one-time financial assistance, averaging \$3,100 per household.<sup>5</sup>

### **HOW THIS SUPPORTS RESIDENTS OF OUR REGION:**

In 2023 the HOME, CDBG, ESG, HOPWA and CoC programs awarded the Capital Region with over \$60 million. Over half of that amount was provided through the CoC program to alleviate homelessness. Housing voucher programs, such as the Housing Choice Voucher and VASH, assist over 10,000 low-income households to maintain stable housing in our region. Any cuts to these programs would immediately result in direct impacts to vulnerable populations such as the formerly homeless, seniors, and disabled that would very likely lead to relapses in homelessness and negative health outcomes. Expanding the VASH program is critical to financing new permanent supportive housing needed to end veterans' homelessness.

Renters in Sacramento County need to earn \$34.34 per hour - 2.1 times the state minimum wage - to afford the average monthly asking rent of \$1,786. For extremely low-income (ELI) households, the burden is even more severe, with 79% spending more than half of their income on housing.<sup>6</sup> Without increases in program funding, currently funded housing units will be reduced given the escalating housing costs and the needed wage adjustments for community-based organizations providing these critical service programs.



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## APPENDIX:

1. United States Interagency Council on Homelessness, "Opening Doors," 2015, USICH\_OpeningDoors\_Amendment2015\_FINAL\_1.pdf.
2. Michelle Wood, Jennifer Turnham, and Gregory Mills, "Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation," *Housing Policy Debate*, Vol. 19, issue 2, pp. 367-412, 2008; Gregory Mills *et al.*, "Effects of Housing Vouchers on Welfare Families," prepared for U.S. Department of Housing and Urban Development Office of Policy Development and Research, September 2006.
3. Daniel Gubits *et al.*, "Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families," prepared for Department of Housing and Urban Development, October, 2016, <https://www.huduser.gov/portal/sites/default/files/pdf/Family-Options-Study-Full-Report.pdf>.
4. James A. Riccio, "Sustained Earnings Gains for Residents in a Public Housing Jobs Program Seven-Year Findings From the Jobs-Plus Demonstration", 2010. Available at [https://www.dol.gov/sites/dolgov/files/ETA/research/pdfs/jobs\\_plus\\_1.pdf](https://www.dol.gov/sites/dolgov/files/ETA/research/pdfs/jobs_plus_1.pdf).
5. Sacramento Steps Forward. Coordinated Access System Report, 2024. Available at CAS Overview - Sacramento Steps Forward ([sacramentostepsforward.org](http://sacramentostepsforward.org)).
6. California Housing Partnership, SACRAMENTO COUNTY 2025 Affordable Housing Needs Report, analysis of American Community Survey, Public Use Microdata Sample, CoStar Group, and Bureau of Labor Statistics Occupational Employment and Wage Statistics for California Occupations data, [https://chpc.net/wp-content/uploads/2024/05/Sacramento\\_Housing\\_Report-2.pdf](https://chpc.net/wp-content/uploads/2024/05/Sacramento_Housing_Report-2.pdf)