



U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-0001

THE SECRETARY

September 18, 2019

The Honorable Gavin Newsom  
Governor of California  
1303 10th Street, Suite 1173  
Sacramento, CA 95814

The Honorable Darrell Steinberg  
Mayor of Sacramento  
915 I Street, 5th Floor  
Sacramento, CA 95814

The Honorable Virginia Bass  
California State Association of Counties  
825 5th Street, Room 111  
Eureka, CA 95501

The Honorable Janet Arbuckle  
California League of Cities  
1400 K Street, Suite 400  
Sacramento, CA 95814

VIA EMAIL

**Subject: Homelessness in California**

Dear Governor Newsom, Mayor Steinberg, Supervisor Bass and Councilmember Arbuckle:

President Donald J. Trump has asked me to respond on his behalf to your letter of September 16, 2019, to provide an update on the comprehensive approach that his Administration is taking to address the issue of homelessness. I hope you and other leaders throughout your State will do more to join us in these efforts, taking action with respect to all of the areas outlined in this letter.

Almost half of all unsheltered homeless people in the United States are in California, a level about four times as high as California's share of the overall U.S. population. Los Angeles, alone, is home to 19 percent of the Nation's unsheltered homeless. A recent Council of Economic Advisors (CEA) report finds that even when controlling for high home prices and mild temperatures, the State's unsheltered homeless population is more than twice as high as expected. There are nearly six times as many single adults living on the streets of California as there are emergency shelter beds targeted to them, the highest such rate in the country. Leaving California's homeless unsheltered, unhealthy, and unsafe is a human tragedy and unacceptable.

Your letter seeks more Federal dollars for California from hardworking American taxpayers but fails to admit that your State and local policies have played a major role in creating the current crisis. If California's homeless population had held in line with overall population trends, America's homeless rate would have decreased. Instead, the opposite has happened, as California's unsheltered homelessness population has skyrocketed as a result of the State's overregulated housing market, its inefficient allocation of resources, and its policies that have weakened law enforcement.

An overregulated housing market drives up housing costs and increases homelessness rates. As a result, the cost of Federal housing subsidies increases and taxpayers can support fewer families. High housing costs in California have pushed the average HUD subsidy per voucher tenant in California 38 percent higher than the national average. Nearly a half million of California's poorest households are assisted with their rents through Housing Choice Vouchers, public housing, or project-based housing assistance. Federal taxpayers are clearly doing their part to help solve this crisis.

California cannot spend its way out of this problem using Federal funds. The recent CEA report notes that it takes 10 permanent supportive housing beds to reduce the homeless population by one person. Therefore, providing 50,000 more Housing Choice Vouchers targeted to the homeless would be expected to decrease California's homeless population by just 4 percent (5,000 people). Remarkably, one-third of HUD Veterans Affairs Supporting Housing vouchers allocated to California remain unused by the State. More vouchers are clearly not the solution the State needs. To address this crisis, California must reduce its regulatory burdens on housing. For example, CEA estimates that homelessness would fall by 54 percent in San Francisco and by 40 percent in Los Angeles as a result of substantial regulatory reform. President Trump has signed an Executive Order establishing the White House Council on Eliminating Regulatory Barriers to Affordable Housing to work with State and local leaders to identify strategies and policies to reduce these housing barriers. We hope we can count on meaningful partnerships in this effort with California officials and any other interested stakeholders.

Compounding the homelessness crisis, California has undercut the ability of police officers to enforce quality-of-life laws, remove encampments, and connect our most vulnerable populations with the supportive services they need to get off the streets. Many communities outside of California have developed robust strategies to partner law enforcement with social workers to actively refer homeless individuals to services. California must provide its dedicated police officers and social service workers with the tools they need to protect the communities they serve and our most vulnerable populations.

California must also address mental health. In 2018, 28 percent of California's homeless suffered from a severe mental illness. Despite this, California has since 1995 divested itself of nearly 30 percent of its acute care psychiatric hospital beds, which limits California's ability to place the mentally ill into these dwindling facilities. The Trump Administration supports providing additional options to individuals whose serious mental illness presents a grave disability and a need for inpatient or assisted outpatient treatment. In November 2018, the Department of Health and Human Services announced new waivers for states to receive additional Federal funding to create new demonstration projects for acute care psychiatric hospitals or residential treatment settings, otherwise known as Institutions of Mental Disease (IMDs), for serious mental illness/serious emotional disturbances (SMI/SED). California, however, has still not applied for an SMI/SED waiver.

Further, illegal and inadmissible aliens are increasing housing demand and draining resources. Instead of protecting the most vulnerable Americans from the economic impacts of illegal

immigration, California has doubled down on sanctuary State and city policies and provided benefits to illegal and inadmissible aliens. These policies strain precious resources and reduce housing options for American citizens, especially the needy and those most likely to become homeless.

To solve homelessness, we must also better align Federal, State, and local resources to promote self-sufficiency, so we can quickly get the unsheltered homeless off the streets and on their feet. At HUD, we made meaningful changes to the Continuum of Care 2019 Notice of Funding Availability to provide communities flexibility to impose service participation requirements for participants after they have been stabilized in housing, driving successful outcomes for vulnerable homeless individuals. Further, to help support those leaving our criminal justice system and to help ensure they do not end up on the streets, President Trump spearheaded and, on December 21, 2018, signed into law the landmark First Step Act.

Reducing and treating illicit drug use is also imperative to solving this crisis. At the Federal level, we are making great strides in reducing the supply of illicit drugs into the United States, treating those currently suffering from addiction, and preventing people from becoming newly addicted. We are doing this through enhanced border security, by ensuring the proper use of prescription drugs, and by funding treatment options for those with substance use disorders. According to preliminary 2018 data, nationwide drug overdose deaths fell for the first time in decades, after increasing by 21 percent in 2016 and by 10 percent in 2017. By contrast, preliminary data for California show an increase of 6.3 percent.

Homelessness is devastating for our most vulnerable populations, and ending it has been a top priority of the Trump Administration. Each year, the President's budget has requested record resources for HUD Homeless Assistance Grants. The President's 2020 Budget seeks nearly \$2.6 billion to continue to pursue the President's goal of preventing and ending homelessness. These funds can support thousands of local housing and service programs, which provide important assistance to those living in the Nation's shelter system and on the streets. This 2020 request represents a \$216 million, or 9 percent, increase over the President's 2019 budget request.

The Trump Administration is doing its part. California needs to address the obvious local issues within its control to help address this catastrophe. When California has shown that it is willing to make hard and thoughtful choices to address these issues, the Trump Administration stands ready to support its efforts. I look forward to working with you to end the human tragedy of homelessness, particularly unsheltered homelessness, in the Golden State.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Carson, Sr.", with a long horizontal flourish extending to the right.

Benjamin S. Carson, Sr.