

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-0552**

September 23, 2016

Regulations Division  
Office of General Counsel  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW, Room 10276  
Washington, DC 20410-0500

RE: Continuum of Care Program: Solicitation of Comment on Continuum of Care Formula  
24 CFR Part 578, Docket No. FR-5476-N-04

To Whom It May Concern:

As Representatives of San Diego County, we have for years sought to change the Continuum of Care funding formula to reflect the factors that best correlate with homelessness. We appreciate the Department of Housing and Urban Development's efforts to develop measured and relevant factors, and provide the opportunity for the public to comment on their proposed rule.

San Diego is a nationally recognized hub for innovation, where national solutions are the result of our local collaboration. One of the reasons San Diego is deserving of this designation is through the efforts of our Continuum of Care (CoC) and the many organizations and individuals in San Diego that are working to end the cycle of homelessness for over 8,700 individuals. Our homeless population is the fourth largest in the country, but ranks 22<sup>nd</sup> in funding under the current HUD CoC formula. This disparity is one that not only disadvantages homeless advocates in San Diego, but is a barrier to success in communities across the country.

When we wrote Secretary Julian Castro in September 2014, we stressed the need to reopen the funding formula in order to give cities the opportunity to receive their fair share of federal funding. San Diego is among the cities that are unable to fully fund the projects necessary to end homelessness; limited by an antiquated formula that emphasizes pre-1940s housing stock and population growth lag. In our letter, as well as in our November 2013 letter to then Secretary Shaun Donovan, we recommended that a crucial step in creating a more equitable distribution is updating the underlying factors to reflect the limitations and barriers that confront homeless individuals and families. In our review of HUD's proposed rule, we applaud Secretary Castro's leadership and the work of his team in proposing four alternative formulas that were developed through an analytical examination of factors correlated to homelessness. Furthermore, the tool created to explore additional formula options is evidence of the complex nature of reworking this formula and how critical input is from the service providers throughout the country.

In response to the Continuum of Care Formula Proposed Rule, the San Diego Regional Continuum of Care Council (RCCC) submitted comments to HUD. Their four-pronged proposal is the result of collective input from continuum-wide stakeholders that include housing organizations, service providers, concerned citizens and local governments. Of significant note is the San Diego RCCC's consideration of the impact their proposal will have on other continuums. As HUD noted in the proposed rule, a change

in the formula may result in the loss of CoC funding for some communities. To minimize this loss and ensure that cities with the greatest need are receiving the appropriate share of funding, the San Diego RCCC applied their research to the ten cities with the highest rates of homelessness. It was through this analysis that they selected a specific combination of weighted factors that equitably match funds with need.

The San Diego RCCC's comments, which are enclosed, recommend the following:

1. A fifth proposed Formula E with Annual Renewal Demand as the baseline for funding;<sup>1</sup>
2. If HUD only selects one of the four proposed options, adopt HUD Formula D with the Annual Renewal Demand as the baseline for funding;
3. Adopt a rule to revisit the formula every five years, ensuring the formula does not again become outdated; and
4. Funds are to be added to HUD's Continuum of Care appropriation request in order to support the development of new CoC programs.

We strongly support the above proposals that were collaboratively and expertly constructed by the San Diego RCCC and ask that HUD give their comments full consideration.

Sincerely,



Scott H. Peters  
Member of Congress



Susan Davis  
Member of Congress

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<sup>1</sup> San Diego RCCC's proposed Formula E has the following factor weight distribution: Renter-occupied units (65%); Affordability gap (30%); and Rent-burdened Extremely Low Income (ELI) Households (5%).