



Los Angeles, San Diego, San Jose, San Francisco, Fresno, Sacramento,
Long Beach, Oakland, Bakersfield, Anaheim, Santa Ana, Riverside, Stockton

April 8, 2021

The Honorable Toni Atkins
Senate Pro Tempore
State Capitol
Sacramento, CA 95814

The Honorable Anthony Rendon
Assembly Speaker
State Capitol
Sacramento, CA 95814

The Honorable Nancy Skinner
Chair, Senate Budget Committee
State Capitol
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol
Sacramento, CA 95814

Dear President Pro Tempore Atkins, Speaker Rendon and Budget Chairs Skinner and Ting,

We appreciate your willingness to meet with us, and to continue your partnership with the mayors of our largest cities in finding pragmatic solutions to address our state's homelessness crisis. Given the scale of the challenge we collectively face, and because of the extraordinary opportunity created by two unique circumstances--the passage of the American Rescue Plan and the state's budget surplus--we write to revisit our prior budget request.

As you know, we have long believed that the state must identify an ongoing, consistent allocation of flexible funding sufficient to meet the enormity of the challenge in our cities for affordable housing construction and supportive services. While our economic challenges make it difficult to identify an ongoing revenue source, the large amount of one-time funding presents a generational opportunity to make a dramatic move to address our homelessness crisis.

That can be accomplished by setting aside a one-time allocation of \$16 billion for a steady expenditure of \$4 billion per year over the next four years.

Through our partnership, we've accomplished much in our cities in recent years through such initiatives as Project Homekey, HHAP, and HEAP. We created permanent or transitional housing for our homeless at an average cost to the state of \$148,000 per unit under Project Homekey, for instance, and we built prefabricated dorms, modular housing, tiny homes, and shelters even more cost-effectively with state and local dollars. Based on the average cost of our Project Homekey success, **a four-year allocation of \$16 billion that we've outlined could create more than 100,000 homes**—or enough to permanently house nearly every Californian who entered a homeless shelter in 2020. Such a bold commitment would have a transformative and lasting impact on our state, and make California a national model of compassion.

Of course, we expect a substantial commitment of these flexible dollars will be needed to fund operations and supportive services of the many facilities that we've created in recent years with your help. A balanced allocation can both get our unhoused residents off the street while enabling us to sustain existing programs that will keep them housed. We support and stand prepared to meet the strong accountability measures that would accompany such a large budgetary commitment.

Since California's large cities have a track record of cost-effectively and efficiently putting dollars to work immediately to bring people off the streets, we also recommend a large direct allocation to big cities.

We appreciate the unprecedented scale of this financial commitment, one appropriate to the unprecedented—and growing—scale of this massive crisis, one that will define our generation's collective legacy. We urge flexible funding commensurate with our monumental task ahead — and we thank you for your leadership and continued partnership.

Sincerely,



Sam Liccardo
Mayor
City of San José



Eric Garcetti
Mayor
City of Los Angeles



Todd Gloria
Mayor
City of San Diego



London Breed
Mayor
City of San Francisco



Jerry Dyer
Mayor
City of Fresno



Darrell Steinberg
Mayor
City of Sacramento



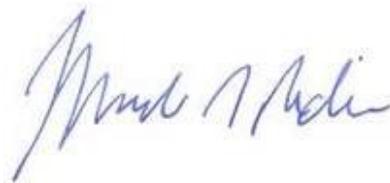
Robert Garcia
Mayor
City of Long Beach



Libby Schaaf
Mayor
City of Oakland



Karen Goh
Mayor
City of Bakersfield



Harry Sidhu
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Vicente Sarmiento
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Patricia Lock-Dawson
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Kevin Lincoln
Mayor
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