



Homelessness in California

The State Must Do More to Assess the Cost-Effectiveness of Its Homelessness Programs

Background

The Joint Legislative Audit Committee requested an audit of the State's homelessness funding and an evaluation of the State's efforts to monitor the cost-effectiveness of such spending. This report (2023-102.1) focuses primarily on the State's activities as carried out by the California Interagency Council on Homelessness (Cal ICH). More than 180,000 Californians experienced homelessness in 2023—a 53 percent increase from 2013. To address this ongoing crisis, nine state agencies have collectively spent billions of dollars in state funding over the past five years administering at least 30 programs dedicated to preventing and ending homelessness. Cal ICH is responsible for coordinating, developing, and evaluating the efforts of these nine agencies.

Our Key Recommendations

- The Legislature should amend state law to require Cal ICH, by March 2025, to mandate reporting by state agencies of costs and outcomes of state-funded homelessness programs. To implement such reporting, the Legislature should require Cal ICH to develop guidance establishing specifics on uniformity of data to be collected and how it is to be presented. The Legislature should require Cal ICH to annually compile and report this cost and outcome information publicly beginning in September 2025 and should provide resources for this effort, as necessary.
- Cal ICH should request that state agencies responsible for administering state-funded homelessness programs provide spending- and outcome-related information for people entering, experiencing, and exiting homelessness. By March 2025, Cal ICH should develop and publish on its website a scorecard—or similar instrument—that would give the Legislature and other policymakers the information necessary to better understand each homelessness program's specific costs and outcomes. Cal ICH should determine and request from the Legislature any necessary resources required for this effort.

Key Findings

- Cal ICH has not consistently tracked and evaluated the State's efforts to end homelessness.
 - » Because Cal ICH has not tracked and reported on the State's funding for homelessness programs since its 2023 assessment covering fiscal years 2018–19 through 2020–21, the State and its policymakers are likely to struggle to understand homelessness programs' ongoing costs and achieved outcomes.
 - » Cal ICH has not established a consistent method for gathering information on homelessness programs' costs and outcomes, leaving the State without information that would allow decision-makers to make data-driven decisions.
- Two of the five state-funded programs we reviewed are likely cost-effective.
 - » Homekey allows the State to provide individuals with housing that is less expensive than newly built affordable housing units. The Housing Support Program helps house families who are at risk of or experiencing homelessness and costs less than the State would spend if these families were homeless.
 - » The Encampment Resolution Funding program; the Homeless Housing, Assistance and Prevention program; and the State Rental Assistance Program did not collect adequate data on program outcomes to assess their cost-effectiveness.