



## Homelessness in California

*San José and San Diego Must Do More to Plan and Evaluate Their Efforts to Reduce Homelessness*

### Background

The Joint Legislative Audit Committee requested that our office conduct an audit of the State's homelessness funding, including an evaluation of efforts undertaken by the State and two cities to monitor the cost effectiveness of such spending. In this report (2023-102.2), we present our findings and conclusions concerning the cities of San José (San José) and San Diego (San Diego). We published a separate report (2023-102.1) that details our findings on the State's activities to address homelessness.

Since 2015 San José and San Diego have both seen increases in the number of individuals experiencing homelessness. In response, the cities have spent hundreds of millions of dollars in federal, state, and local funding to prevent and end homelessness. These amounts include significant funding from state programs such as the Homeless Housing, Assistance and Prevention Program.

### Key Findings

- San José and San Diego do not completely report on all of their homelessness funding.
  - » The two cities spent hundreds of millions of dollars on programs to prevent and end homelessness in recent years. Nonetheless, neither city could definitively identify all its revenues and expenditures related to its homelessness efforts because the cities have not established a mechanism, such as a spending plan, to track and report such information.
- Neither city has consistently evaluated the effectiveness of its homelessness programs.
  - » Both San José and San Diego spend tens of millions of dollars annually on agreements with external service providers, such as nonprofits, to provide homelessness programs and services. However, neither San José nor San Diego has adequately evaluated the effectiveness of its agreements.
- To better address homelessness, San José and San Diego will need to develop additional interim and permanent housing.
  - » Although the two cities have made efforts to develop additional interim and permanent housing, neither has a clear, long-term plan to ensure that they have the housing necessary to support individuals who require it. Having adequate permanent housing is particularly critical given that data show that placing individuals who are experiencing homelessness into permanent housing results in significantly better outcomes than placements into interim housing.

### Our Key Recommendations

- To promote transparency, accountability, and effective decision-making, both cities should publicly report in a single location, such as a spending plan, all of the federal and state funding they receive as well as the local funding they allocate for reducing homelessness. They should also regularly monitor the amount of their unspent funding to ensure that they comply with any future spending deadlines and can adequately explain to the public the anticipated timing of their future spending.
- Both cities should ensure that they establish clearly defined performance measures in agreements with service providers and annually document overall assessments of the effectiveness of each service provider.
- San José should develop goals for contributing to the building of permanent housing for people experiencing homelessness that align with its implementation plan for meeting the goals of its Continuum of Care's action plan. San Diego should develop plans for siting and building the permanent housing it has identified that it needs for people experiencing homelessness.