



LETICIA CASTILLO

58TH ASSEMBLY DISTRICT

AB 505: Multifamily Housing Program: Homekey: report.

IN BRIEF:

Assembly Bill 505 directs the Legislative Analyst's Office (LAO) to conduct a comprehensive evaluation of the Homekey program. This evaluation will assess Homekey's effectiveness in sustaining individuals experiencing homelessness and the efficiency of fund allocation to participating localities. The LAO must submit a report to the Legislature with findings and policy recommendations by July 1, 2027.

EXISTING LAW:

California's existing Multifamily Housing Program, administered by the Department of Housing and Community Development, provides housing assistance for individuals and families experiencing homelessness. Homekey, a key initiative under this framework, distributes funds to acquire and rehabilitate housing units for this population. However, current law does not require a comprehensive evaluation of Homekey's outcomes, including the long-term stability of its residents or the fiscal efficiency of its funding allocations.

THE ISSUE:

Since its inception, Homekey has directed substantial state resources toward addressing homelessness. While the program has expanded housing options, critical questions remain about its long-term impact and cost-effectiveness. It is unclear how many Homekey-funded units remain occupied after one year, how many individuals successfully transition to stable, long-term housing, and whether Homekey's cost per unit is competitive with other affordable housing initiatives.

Additionally, concerns exist regarding the efficiency of fund distribution to localities. Delays in disbursement may lead to project setbacks and budgetary strains on local governments, limiting Homekey's ability to provide timely relief to those in need. Without a structured evaluation, policymakers lack the necessary data to determine whether Homekey is meeting its intended goals or if adjustments are needed to improve its effectiveness.

THE SOLUTION:

AB 505 ensures accountability and continuous improvement by mandating an independent evaluation of Homekey's impact. By requiring the LAO to assess Homekey's effectiveness and fund allocation processes, the bill will provide policymakers with critical insights to refine the program, maximize its benefits, and strengthen California's approach to addressing homelessness.

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