

*Senate Budget and Fiscal Review—John Laird, Chair*

# **SUBCOMMITTEE NO. 4**

# **Agenda**

**Senator Melissa Hurtado, Chair**  
**Senator Roger W. Niello, Vice-Chair**  
**Senator Christopher L. Cabaldon**  
**Senator Lola Smallwood-Cuevas**



**Thursday, February 26, 2026**  
**9:30 a.m. or Upon Adjournment of Session**  
**State Capitol, Room 113**

Consultant: Timothy Griffiths

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## ITEMS FOR VOTE ONLY

### 2255 CALIFORNIA INTERAGENCY COUNCIL ON HOMELESSNESS (CAL-ICH)

#### Item 1: Resources for Implementation of Recently Enacted Legislation

**Issue.** As part of the Governor’s January 2026 Budget proposal, the California Interagency Council on Homelessness (Cal-ICH) requests a one-time, \$339,000 General Fund appropriation in 2026-27 for the purpose of implementing the provisions of AB 678 (Lee, Ch. 495, Stats. 2025).

**Background.** AB 678 requires Cal-ICH to coordinate with representatives of LGBTQ+ groups to identify best practices, develop recommendations for serving LGBTQ+ people experiencing homelessness, and report back to the Legislature on those recommendations by July 1, 2027. Cal-ICH indicates that it intends to carry out this mandate through a one-time contract with a “qualified vendor or vendor team possessing expertise in LGBTQ+ equity, trauma-informed engagement, culturally competent service design, research and evaluation, and systems policy.” Cal-ICH indicates that no new state staff will be hired for this work.

**Staff Comments:** During Legislative consideration of AB 678, the Senate Appropriations Committee reported a cost estimate of \$1.5 million in General Fund for implementation of the bill. The appropriation requested here falls substantially below that estimate while still purporting to fulfill all the statutory requirements of AB 678.

**Staff Recommendation.** Approve as budgeted.

## ITEMS FOR DISCUSSION

**2240 HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT (HCD)**  
**2255 CALIFORNIA INTERAGENCY COUNCIL ON HOMELESSNESS (CAL-ICH)**

### Item 2: The Current State of Homelessness in California: Data, Trends, and Takeaways

**Issue.** This Subcommittee oversees two central components of the overall state effort to address homelessness: (1) state homelessness programs administered by the Housing and Community Development Department (HCD), and (2) state coordination of homelessness policy, data collection, and data analysis through the California Interagency Council on Homelessness (CAL-ICH).<sup>1</sup>

The purpose of today's hearing is to:

- conduct oversight over these programs generally; and
- consider the status of future funding for Homeless Housing, Assistance, and Prevention (HHAP) program, specifically.

In order to conduct thoughtful oversight and make wise decisions regarding these homelessness programs, it is necessary to begin with as complete an understanding as possible of where California stands as a state in relation to homelessness.

Today's hearing therefore begins with a report on the current state of homelessness in California. What does the latest data tell us? About how large is our current unhoused population? Does the situation appear to be improving, or are we losing ground? How does California's performance on addressing homelessness compare with the rest of the nation? Are our state investments in addressing homelessness showing positive results? Can we expect current trends to continue or are there things on the horizon that the Legislature should be monitoring or responding to?

**Background.** Dr. Ryan Finnigan is the Deputy Director of Research at the University of California at Berkeley's Terner Center on Housing Innovation. Dr. Finnigan's research focuses on homelessness in California as well as poverty and social policy across the United States and globally. He holds a Ph.D. and M.A. in Sociology from Duke University, and a B.A. in Sociology and B.S. in Mathematics from Indiana University.

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<sup>1</sup> The State's comprehensive response to homeless includes several other programs and departments that fall within the jurisdiction of other Senate Budget Subcommittees. For example, the Department of Social Services (CDSS) operates several safety net programs like CalWorks and CalFresh that have an important role to play in enabling low-income Californians to maintain housing. CDSS also runs some programs that are more directly designed to address homelessness, such as Bringing Families Home, Home Safe, and CalWorks Housing Support. Similarly, the CalAIM program, which can provide housing assistance in some instances, is a MediCal initiative under the California Department of Health Care Services.

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Dr. Finnigan was one of the lead researchers on the [2023 Statewide Assessment of California's Homelessness Programs](#). Some of his recent publications from the Turner Center include:

- [The Importance of Well-Resourced and Targeted Homelessness Programs](#) (November 2023)
- [Stretched to Capacity: The Challenges Facing California's Homelessness Service Providers](#) (February 2024)
- [Changes to Federal Homelessness Funding Could Put More than 32,000 People in California at Risk of Losing Their Homes](#) (November 2025)

**Key Questions:** As it assesses the current state of homelessness in California, the Subcommittee may wish to consider pursuing some of the following lines of inquiry:

- How many people in California are unhoused on any given night right now? How does that compare to recent years? How does that compare to other states in the United States? In general, how should we think about current trends in homelessness in California. Is it improving? Getting worse? About the same?
- How many people in California accessed homelessness services this past year? How does that compare to recent years? How does that compare to other states in the United States? How should we interpret this statistic? Is it a good thing or a bad thing if more people are accessing services?
- The Governor and others have cited a nine percent reduction in unsheltered homelessness figure for this year in California. Where does this figure come from? How reliable is it? Has it been confirmed? Will it be updated? Is it genuinely indicative of progress?
- Where has there been a delay in federal homelessness data reporting? Why? How does this delay impact our ability to assess the current state of homelessness in California?
- Are there subpopulations for whom levels of homelessness are improving in California? Which are those? What explains the difference? How could we replicate those successes?
- Are there subpopulations or geographic areas in California that continue to have higher rates of homelessness and/or where incidents of homelessness are getting more common? What seems to be causing this? What additional steps could the state take to try to reverse these trends?
- If the state were only to fund Round 7 of HHAP at half the level compared to previous rounds, what is the likely impact on homelessness in California?
- In November 2025, you authored a report estimating that changes to federal funding for Consortia of Care, if eventually implemented fully, could result in as many as 32,000

currently housed Californians being forced back into homelessness. Things have evolved somewhat since then. What is your assessment of the potential harm now? Should we anticipate a reduction in housing services from CoCs in California as a result of these federal actions?

- In December 2025, you co-authored a report about potential impacts from the early wind-down of the federal Emergency Housing Voucher program. Since that time, federal appropriations measures have been passed that may at least partially alleviate that impact. Where do things stand now? What are the potential impacts on California?
- How are other federal cuts – such as cuts to health insurance and emergency food aid – likely to impact California’s efforts to address homelessness?

**Staff Recommendation.** Information only.

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**2255 CALIFORNIA INTERAGENCY COUNCIL ON HOMELESSNESS (CAL-ICH)****Item 3: Homelessness Data Systems Oversight**

**Issue.** The California Interagency Council on Homelessness (Cal-ICH) is the primary gatherer and guardian of the state’s homelessness data. That data informs policy decisions, resource allocation, and overall understanding of homelessness in the state. This informational agenda item is intended to provide the Subcommittee with an opportunity to review Cal-ICH’s homelessness data systems generally, to follow up on points raised about state homelessness data collection in the 2025 State Auditor’s High Risk Program report, and to check-in on Cal-ICH’s progress toward implementation of recently enacted legislation meant to improve state homelessness data systems more generally.

**Background.** California has a broad portfolio of homelessness initiatives throughout state government. As its name implies, Cal-ICH serves as a central coordinating body for these initiatives. It convenes department and agency leaders, facilitates collaborative planning, provides policy guidance and – of particular relevance to this agenda item – serves as the state’s homelessness data clearinghouse.

*Sources of Data.* Much of the data regarding the unhoused population in California and the performance of our major programs for addressing homelessness comes from three sources:

- **Homeless Management Information System (HMIS).** HMIS is the federally-mandated set of local databases used by homeless service providers to collect information about unhoused individuals, to keep a record of interactions, and to track the provision of services.
- **Point-in-Time (PIT) Counts.** The PIT Count is an actual count of unhoused individuals overseen by each Continuum of Care (CoC) across the nation, usually conducted over the course of a few nights in January. The result is a rough gage of how many unhoused individuals there are, both sheltered and unsheltered, on any given night. Under federal law, each CoC must conduct a PIT Count at least once every two years, but some CoC’s elect to conduct PIT Counts every year.
- **Program Reporting by Departments and Grantees.** State programs to address homelessness generally require grantees to report on how much they have spent, what the money was spent for, what services they provided, and what outcomes they achieved as a result. Reporting of the latter two data points can often be done through HMIS.

The state uses a combination of these three sources of data to present information about the state of homelessness in California and to measure the performance of our efforts to address it. Through its Homeless Data Integration System (HDIS), Cal-ICH gathers the HMIS data from across the state, removes any identifying information, aggregates the data, and presents it in a format that allows policy-makers and the public can examine it.

*Data Integration Challenges and AB 799.* Not all of the data from all of the state homelessness programs fits together neatly, however. Over time, different programs have developed their own data points and their own reporting systems. As a result, California has not necessarily had the sort of fully comprehensive data source that would assist policy-makers and the public to form a complete picture of the impact and effectiveness of all efforts to address homelessness across the state.

AB 799 was intended to address this problem. Specifically, AB 799:

- required Cal-ICH to collect the fiscal and outcome data that state grantees and other entities operating state homelessness programs must submit regarding the individuals and families they serve;
- instructed Cal-ICH, in consultation with the respective administering state agencies or departments, to specify the data elements, entry format, and disclosure frequency of the fiscal and outcome data; and
- directed Cal-ICH to aggregate the resulting data and make it available publicly each year beginning in 2027.

As part of the 2025 Budget, this Subcommittee approved funding for Cal-ICH for the purpose of implementing AB 799 and Cal-ICH has begun this work.

*Recent State Auditor Findings.* In its 2025 High-Risk Audit Program report, the State Auditor's Office did *not* find state homelessness funding to be a high-risk area for the state. However, observing that Cal-ICH was still in the process of implementing AB 799, the State Auditor intimated that it might find state homelessness funding to be a high-risk area in the future *if* Cal-ICH was unable to implement AB 799 as required. The Auditor expressed concern about the pace of Cal-ICH's work on AB 799 so far. Ultimately, the Auditor concluded that:

Overall, the Legislature and the administration deserve credit for strengthening state law by mandating additional accountability and reporting requirements for the State's homelessness spending; however, more progress is needed from Cal ICH to ensure that the intended benefits of AB 799 become a reality.

**Key Questions:** In delving deeper into this issue, the Subcommittee may wish to consider some of the following lines of inquiry:

- What homelessness data does Cal-ICH currently capture for the state of California?
- Please describe how Cal-ICH manages the data it collects.
- How has Cal-ICH's data collection changed in recent years? What improvements in data collection have been made?

- What efforts does Cal-ICH undertake to minimize the administrative burden of data collection for consortiums of care?
- Does Cal-ICH use any outside vendors as part of this process?
- What sort of data quality control tests does Cal-ICH undertake? Is data screened or assessed before it is made public? If so, what rules does Cal-ICH follow for this?
- How does Cal-ICH ensure that locals are reporting their homeless data correctly? Is there any concern that locals could inflate their numbers?
- What steps has Cal-ICH taken in response to the points raised about AB 799 implementation in the 2025 High Risk Program report?
- What else does Cal-ICH need to do at this point to finish implementing AB 799?
- Does Cal-ICH expect to be able to complete the remaining AB 799 implementation tasks by the deadlines set forth in the statute? Does Cal-ICH believe it needs any additional resources or support to finish those tasks on time?

**Staff Recommendation.** Oversight only.

## 2240 HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT (HCD)

### Item 4: Oversight on State Homelessness Programs Administered by the Housing and Community Development Department (HCD) – with Focus on the Homeless Housing, Assistance, and Prevention (HHAP) Program

**Issue.** This agenda item is intended to provide the Subcommittee with an opportunity to conduct oversight over the Homeless Housing, Assistance, and Prevention (HHAP) program, one of the four state homelessness programs administered by the Housing and Community Development Department (HCD). HHAP is the primary intended focus of oversight because HHAP is the largest of the programs; it is the only one of the programs for which an appropriation is currently planned for the 2026 Budget; and because HHAP is the subject of actively pending decisions related to administration of the upcoming funding round (Round 7).

#### Background.

*Description:* Since emerging in 2019 as a new incarnation of the Homeless Emergency Aid Program (HEAP), HHAP has been one of California’s largest initiatives directed at addressing the homelessness crisis. HHAP provides relatively flexible, formula-based funding to counties, continuums of care, and large cities to support a wide variety of local strategies for addressing homelessness. As between the large cities, the counties, and the continuums of care, the statutes governing HHAP divide funding according to the jurisdiction’s most recent Point-in-Time count share of individuals experience homelessness in comparison to its overall population. More recent HHAP rounds have also offered grant-based HHAP awards to Tribal entities.

Data-driven accountability has been built into HHAP since Round 3. Specifically, under the statutes governing HHAP, the recipients of funding must show a threshold number of improvements on specified System Performance Metrics (SPMs) in order to qualify to receive additional disbursements. If the recipients have not achieved the requisite improvement, then they must work with HCD to reconfigure their approach. This data-driven accountability mechanism aims to ensure HHAP resources flow toward efforts that are achieving demonstrable results and away from strategies that are not proving to be effective.

#### Appropriations History:

Budget Act	HHAP Round	Initial Appropriation	Initial Disbursal to Final Expenditure Window
2019	1	\$650 million	Spring 2020 – June 30, 2025
2020	2	\$300 million	Fall 2021 – June 30, 2026
2021	3	\$1 billion	Winter/Spring 2022 – June 30, 2026
2022	4	\$1 billion	Winter/Spring 2023 – June 30, 2027
2023	5	\$1 billion	Summer/Fall 2024 – June 30, 2028
2024	6	\$1 billion	Summer/Fall 2025 – June 30, 2029
2026*	7*	\$500 million*	Goal Sept. 1, 2026 – TBD*

*Regarding Round 7 Specifically:* Pursuant to SB 158 (Committee on Budget & Fiscal Review, Ch. 650, Stats. 2025), the 2025 Budget Act included an appropriation of \$500 million for Round 7 of HHAP available as of July 1, 2026 and contingent upon the enactment of legislation providing the administrative framework for Round 7.

SB 158 further specified that the resulting administrative framework had to include the following prerequisites for recipients to obtain their Round 7 HHAP awards, with the subsequent legislation to specify “the extent to which each shall apply”:

- (A) Having a compliant housing element.
- (B) Having a local encampment policy consistent with administration guidance.
- (C) Having a prohousing designation.
- (D) Leveraging local resources to scale state investments.
- (E) Demonstrating progress on key housing performance metrics.
- (F) Demonstrating urgency and measurable results in housing and homelessness prevention.

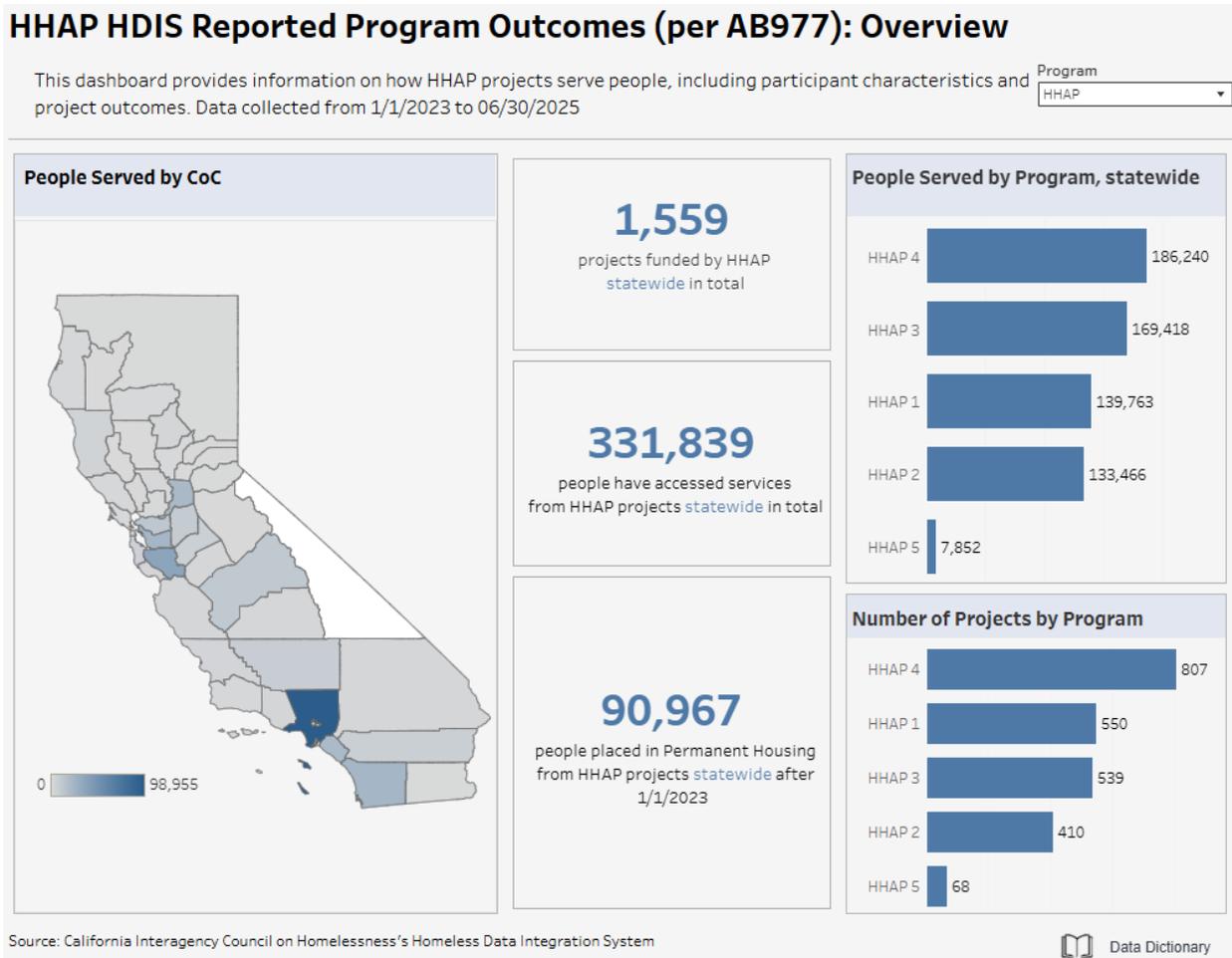
Finally, to try to avoid delays in distribution of HHAP Round 7 funding to jurisdictions eligible to receive it, SB 158 set September 1, 2026 as the goal for HCD to make initial disbursements available. SB 158 made administrative funds available to HCD in the 2025-26 fiscal year so that HCD could begin preparations as necessary to meet that target date.

*Current Obligation/Expenditure Status (as of December 31, 2025 – the table does not reflect initial HHAP Round 6 awards totaling \$419 million made by HCD to San Diego, Los Angeles, and San Francisco regions in January 2026):*

Aggregate HHAP Funding across Rounds					
HHAP Round	Allocation	Awarded	Unobligated	Obligated	Expended
HHAP1	618,000,000.00	\$618,000,000.00	\$371,796.14	\$617,628,203.86	\$617,439,805.95
HHAP2	284,999,998.00	\$284,999,998.00	\$2,279,791.54	\$282,720,206.46	\$259,679,736.60
HHAP3	760,000,000.04	\$760,000,000.04	\$3,879,996.98	\$756,120,003.06	\$600,022,588.98
HHAP4	760,000,000.00	\$760,000,000.00	\$43,872,163.92	\$716,127,836.08	\$515,566,823.83
HHAP5	869,500,000.00	\$869,500,000.00	\$159,233,980.47	\$710,266,019.53	\$332,007,009.92
HHAP6	760,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>	<b>4,052,499,998.04</b>	<b>\$3,292,499,998.04</b>	<b>\$209,637,729.05</b>	<b>\$3,082,862,268.99</b>	<b>\$2,324,715,965.28</b>

The dashboard shows that HHAP grantees have spent the vast majority of their awards from the early rounds of HHAP. For the later rounds of HHAP, grantees still have significant time left – between 1 and 5 years, depending on the round – to utilize their HHAP funds before the respective deadlines.

Most Recent HHAP Outcome Data (January 1, 2023 – June 30, 2025):

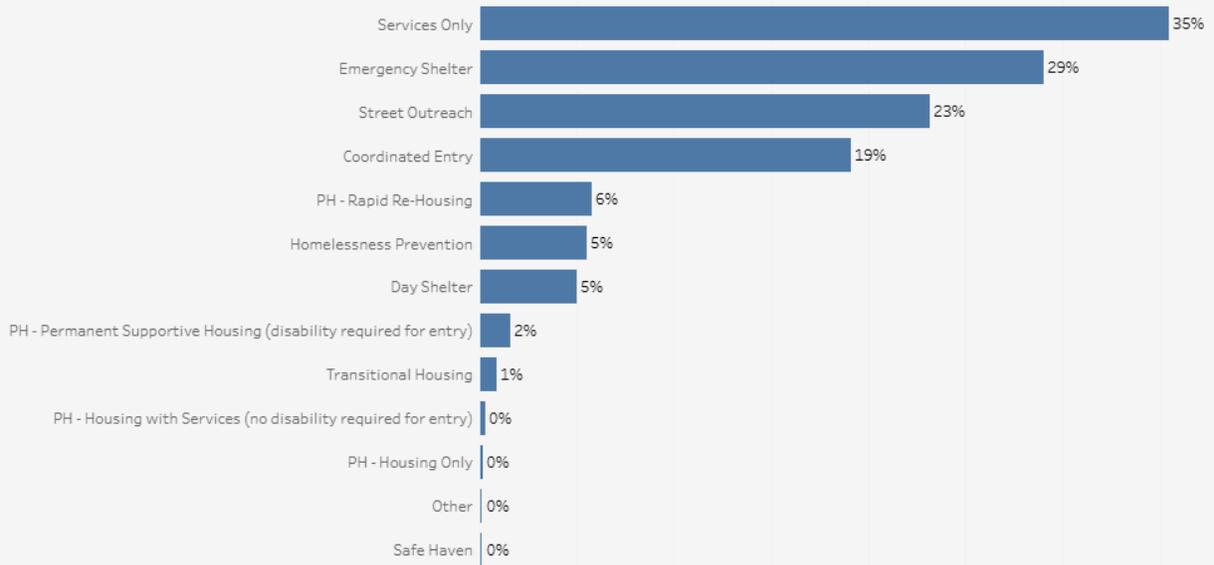


*HHAP Services Provided (January 1, 2023 – June 30, 2025):*

During the selected time period, HHAP Projects served **331,839** in the specified population.

**People Served by Project Type**

Select a Bar Below to View the Number of People Served by that Project Type



\* indicates that data are suppressed

Source: California Interagency Council on Homelessness's Homeless Data Integration System

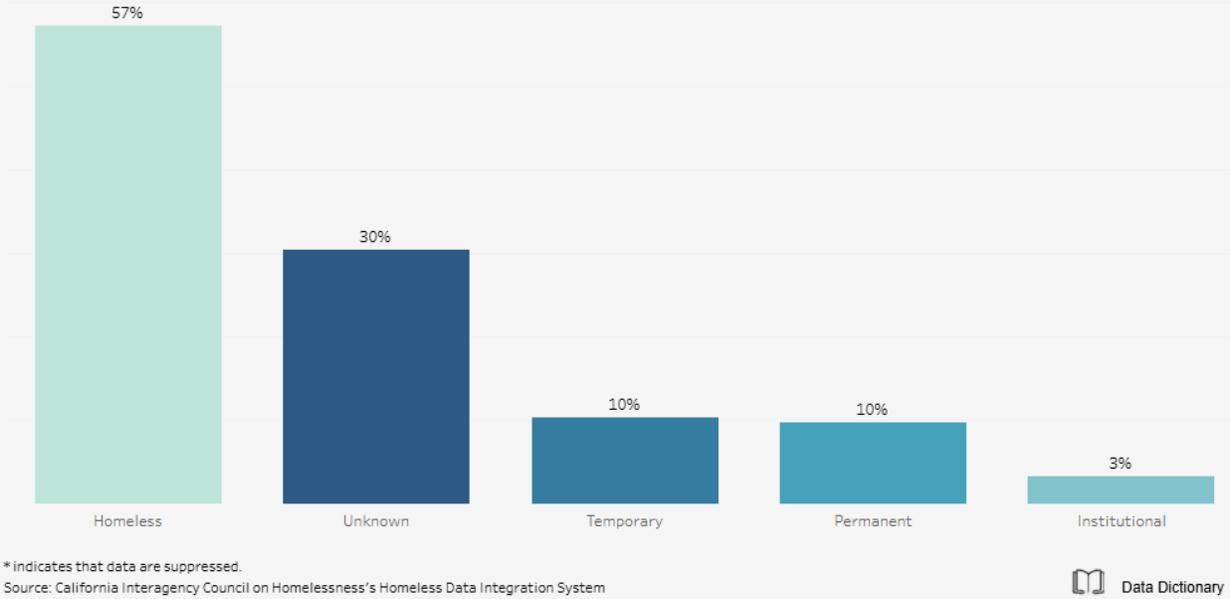
 Data Dictionary

*Living Situations Before Versus After Receipt of HHAP Services (Jan. 1, 2023 – June 30, 2025):*

During the selected time period, HHAP projects served **331,839** people in the specified population.

**People’s Living Situations Prior to Accessing HHAP Projects**

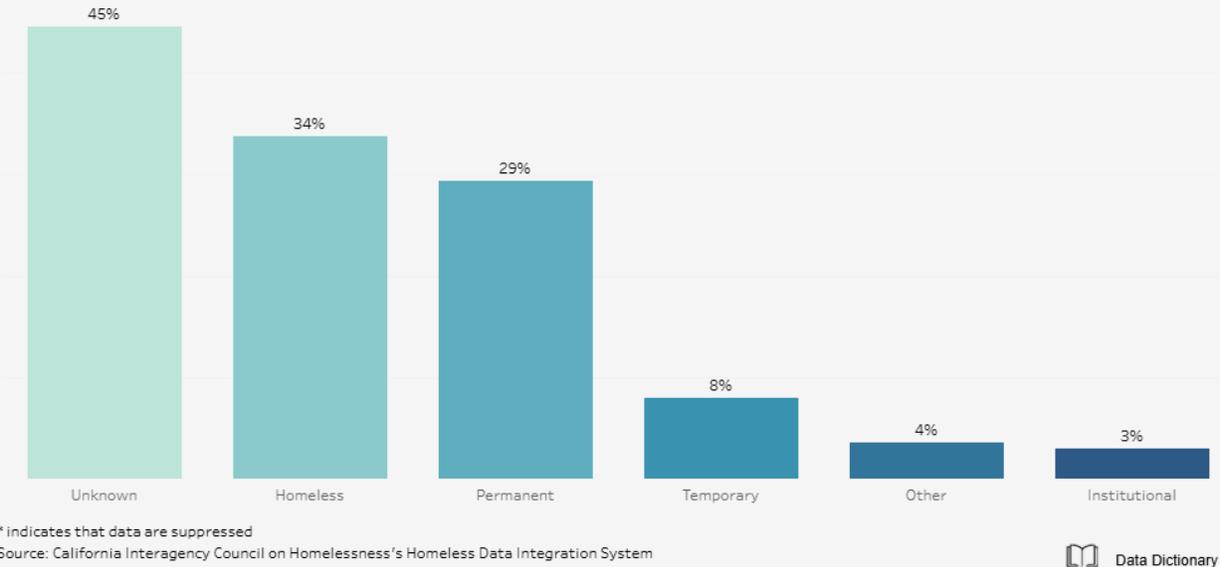
To View Detailed Living Situations, Click or Drag to Select the Bars Below (Press Esc. to Deselect)



During the selected time period, **280,761** people in the specified population exited HHAP projects.

**Destinations After Exiting Service from HHAP Projects**

To View Detailed Destinations, Click or Drag to Select the Bars Below (Press Esc. to Deselect)



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**Key Questions About HHAP:** As it conducts oversight over the HHAP program, the Subcommittee may wish to consider pursuing some of the following lines of inquiry:

- What is the status of Round 6 disbursements? Are any eligible jurisdictions actively awaiting disbursements that have not been received? If so, why?
- What explains the relatively high rate of “unknown” exit destinations after unhoused individuals receive HHAP-funded services? How concerned should we be about this rate of unknown exit destinations? Does it reflect poor service performance or bad data collection practices? Are there steps we could take to achieve greater insight into HHAP exit destinations?
- In 2024, the Office of the State Auditor examined early rounds of HHAP and concluded that the state was not collecting enough data to enable the Auditor to draw conclusions about the effectiveness of the program. Subsequent rounds of HHAP have embedded system performance metrics into HHAP’s administrative framework. Are these changes responsive to the outcome data limitation concerns identified by the State Auditor’s 2024 report on the program?
- Supposing that homelessness appears to be getting worse in a jurisdiction that receives HHAP funding. Could HCD detect this problem? How would HCD respond? Can you describe an instance in which this has happened?
- Please describe all of the fiscal integrity checks within the current HHAP administration framework? Does HCD verify that HHAP funds are being spent consistent with program requirements? How? What documentation and reporting are required of HHAP recipients? What systems are in place to identify and respond to situations where HHAP money could be being spent in unauthorized ways?
- The Governor has made clear that certain prerequisites must be built into the administrative framework for governing HHAP Round 7. Do you foresee any challenges to integrating those prerequisites into the program administratively?
- The necessary trailer bill language to govern administration of HHAP Round 7 has not been proposed yet. The funding will be available July 1, 2026 and SB 158 from last year sets a target for this funding to be available for distribution by September. By when will HCD need the trailer bill language to be enacted in order to meet the September deadline?
- Has or will the reorganization of BCSH impacted the administration of the HHAP program?

**Staff Recommendation.** Oversight only.

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**2240 HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT (HCD)****Item 5: The Future of Homeless Housing, Assistance, and Prevention (HHAP) Funding**

**Issue.** California appears to be making progress on homelessness at last. However, the next round of HHAP funding (Round 7) is currently set at half the amount provided in the previous four rounds, there is no current commitment to any future rounds of HHAP, and federal homelessness funding cutbacks may push currently housed Californians back onto the streets. This agenda item provides a forum for the Subcommittee to hear from the leaders of HHAP recipients – counties, continuums of care, tribal entities, and large cities – about how their jurisdictions use HHAP to address homelessness, what outcomes they have achieved, and how they believe the future of HHAP funding will impact those efforts.

**Background.** Homelessness remains a major challenge facing the state. After several years of in which progress was limited to youth and veteran homelessness, there are at last statistical indicators suggesting California is beginning to turn the tide of homelessness overall. 2024 PIT Count data showed that overall homelessness rose in California by just three percent while it expanded by 18 percent elsewhere in the nation. And, analysis of preliminary data from the 2025 PIT Count suggests that for the first time in years, California may have at last achieved not just comparatively positive homeless outcomes, but an outright reduction in overall homelessness.

This trend has developed while the state has made \$1 billion annual appropriations to the Homeless Housing, Assistance, and Prevention (HHAP) program, the state’s single largest investment in addressing homelessness. Though HHAP funding has been always provided on a one-time basis, until 2025, the amount of the appropriation had remained steady over the past four rounds, providing some basis for local homelessness program planning and continuity.

By contrast, the 2025 Budget Act provided just \$500 million for Round 7 of HHAP -- half of the help offered by the state in the four previous HHAP rounds. The 2025 Budget Act held these funds back until July 1, 2026, and also made them contingent on the passage of legislation to govern the administration of Round 7, work that has yet to be completed. The Governor’s January 2026 Budget did not propose any further funding for Round 7 of HHAP and made no mention of any funding for further rounds of HHAP in the future.

**Witness Panel:**

- Tribal Council Member Darla Merlin, Tuolumne Me-Wuk Tribal Council
- Deputy County Administrator, Amina Flores-Becker, Fresno County
- Mayor Barbara Lee, City of Oakland
- Homeless Services Division, Principal Administrative Manager Laurel Weir, San Luis Obispo County Department of Social Services

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**Key Questions:** While engaging with this witness panel, the Subcommittee may wish to consider some of the following lines of inquiry:

- How has your city, county, continuum of care, or tribe used its HHAP allocations to date?
- What outcomes has your city, county, continuum of care, or tribe achieved through the deployment of HHAP resources?
- What systems does your city, county, continuum of care, or tribe have in place to ensure that your HHAP dollars are spent appropriately? Do you use subcontractors? If so, do you monitor or audit their performance?
- How has it been to work with HCD on HHAP for your city, county, continuum of care, or tribe? From your perspective, where does HCD excel and where could they do better?
- What impact are federal policy and funding changes having on your city, county, continuum of care, or tribe?
- As you may be aware, the Governor has asked for certain prerequisites to be added to HHAP 7 funding. Does your city, county, continuum of care, or tribe have any comments or concerns about those proposed prerequisites?
- To date, HHAP funding has always been made available on a one-time basis with no clarity about whether the funding will also be available in future years. For example, there is no mention of a HHAP Round 8 in the Governor’s budget proposal. How does that dynamic impact how your city, county, continuum of care, or tribe manages your HHAP resources? What could you do differently if HHAP resources were more stable?

**Staff Recommendation.** Information only.