

Senate Budget and Fiscal Review—Scott Wiener, Chair

SUBCOMMITTEE NO. 4

Agenda

Senator Stephen C. Padilla, Chair

Senator Roger W. Niello

Senator Lola Smallwood-Cuevas



**Thursday, April 18, 2024
9:30 a.m. or Upon Adjournment of Session
State Capitol - Room 113**

Consultant: Timothy Griffiths

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Public Comment

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ITEMS FOR DISCUSSION

0515 BUSINESS, CONSUMER SERVICES, AND HOUSING SECRETARY
2240 DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Issue 1: The Current Status of Homelessness in California - Recent Data and Trends

Topics: This presentation is intended to open the hearing with an updated picture of the status of homelessness in California today.

- Key patterns and trends in the most recent data on homelessness in California.
- Comparison of California to other states and the nation as a whole.
- Trends in homelessness interventions and resources.

Witness: Dr. Ryan Finnegan, Associate Research Director, Turner Center for Housing Innovation, University of California, Berkeley

Dr. Finnegan'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.

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

- [Five Recent Trends in Homelessness in California \(October 2023\)](#)
- [The Importance of Well-Resourced and Targeted Homelessness \(November 2023\)](#)
- [Stretched to Capacity: The Challenges Facing California's Homelessness Service Providers \(February 2024\)](#)

It should be noted that Dr. Finnegan frequently collaborates with the California Interagency Council on Homelessness (Cal-ICH) on data and research. Cal-ICH also sometimes provides funding to the Turner Center for projects and reports. Dr. Finnegan's testimony at this hearing is his own and does not represent the views of Cal-ICH.

Staff Recommendation. Information only.

Issue 2: Oversight on the Status and Future of Homelessness-Related Grant Programs Administered by the California Interagency Council on Homelessness and the Housing and Community Development Department

Topic: The California Interagency Council on Homelessness (Cal-ICH) operates three major grant programs that seek to address homelessness across California:

- (1) the Homeless Housing Assistance and Prevention (HHAP) program;
- (2) the Encampment Resolution Fund (ERF) program; and
- (3) the Family Homelessness Challenge Grant (FHCG) program.

Pursuant to the Budget Act of 2023, Cal-ICH is in the process of transferring administration of all three programs to the Housing and Community Development Department (HCD). (See Item 3 of this agenda for more detail on this transition.)

The Governor’s January 2024 Budget proposal, if adopted, would impact each of these programs in different ways, as detailed below. The purpose of this agenda item is to provide the Subcommittee with relevant information about each program in order to evaluate the respective budget proposals and assess whether any programmatic changes are warranted. Specially, for each program, Cal-ICH will address:

- the nature and intent of the program;
- the present status of program disbursements and expenditures;
- the most currently available outcome data;
- findings and recommendations from the recent State Auditor’s report on Homelessness Programs in California.

Witnesses:

- Meghan Marshall, Executive Officer, California Interagency Council on Homelessness
- Sydney Bennet, Director of Research, California Interagency Council on Homelessness

Background:*Homeless Housing Assistance and Prevention (HHAP)*

DESCRIPTION: HHAP provides large cities, counties, continuums of care, and tribal entities with formula-based funding through which they can address homelessness using a broad variety of strategies and services.

HHAP first emerged in 2019 as a new incarnation of the Homeless Emergency Aid Program (HEAP) program. Since that time, there have been five rounds of HHAP funding as follows:

Budget Year	HHAP Round	Amount	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

Only large cities, counties, and continuums of care were eligible to receive grants from HHAP Rounds 1 and 2. Rounds 3, 4, and 5 have also included a set aside of \$20 million for Tribal HHAP. Unlike the HHAP allocations to large cities, counties, and continuums of care, Tribal HHAP grants are awarded on a competitive basis. HHAP also includes an overall percentage set aside for transition age youth (TAY) services. The TAY set aside for Rounds 1 and 2 was 8 percent. For Rounds 3-5, the TAY set aside has been 10 percent.

Additional details about the HHAP program can be found here:

https://bcsh.ca.gov/calich/hhap_program.html

CURRENT STATUS: Cal-ICH has already disbursed all of the funding for HHAP Rounds 1 and 2 to the recipients. It has also disbursed the initial HHAP 3 and 4 installments to recipients. The timing for the disbursal of the balance of those funds depends upon the speed in which recipients obligated and expend the initial amounts. The table above displays the window that recipients have to expend these funds fully.

HHAP Round 5 was approved as part of the 2023 Budget Act. As part of their application for their Round 5 allocations, HHAP recipients had to work together to develop regionally coordinated plans for addressing homelessness. These applications and the corresponding plans were due to Cal-ICH in late March 2024. Cal-ICH is now in the process of reviewing these applications. It has 90 days to approve the applications and make initial awards, or initiate an iterative process for ensuring that the recipient's plan complies with HHAP requirements.

Cal-ICH expects to release an annual report with HHAP performance data later in April 2024. Partial performance data from HHAP Rounds 1 and 2 shows that, as of September 2022, the program had served 74,286 individuals, including 17,506 households with dependent children. The

same data set indicates that 23,958 of the individuals served were provided with emergency shelter while 13,406 obtained permanent supportive housing. Among the people leaving unsheltered homelessness, 15,125 individuals served by HHAP went on to permanent housing and 15,188 went on to temporary housing. Given the very early timeframe that this data reflects, the forthcoming Cal-ICH report should provide a more current and robust picture of what locals have accomplished with their HHAP allocations.

With regard to the Tribal HHAP program, Cal-ICH has made 35 awards totaling \$40 million in funding to date. Cal-ICH reports that California tribal communities have played an extensive role in the implementation of Tribal HHAP.

PRESENT 2024 BUDGET OUTLOOK: The Governor's January 2024 Budget does *not* propose any funding for a sixth round of HHAP. (See Item 6 of this agenda for further detail.)

RECENT STATE AUDIT: On April 9, 2024, the State Auditor's Office released a report on Homelessness Programs in California. With respect to the HHAP program, the State Auditor concluded that it did not have sufficient information with which to evaluate the cost-effectiveness of the program due to limited and inconsistent data collection. The State Auditor's conclusion raises important questions about whether the state is adequately tracking the use and effectiveness of HHAP spending.

At the same time, some context for the State Auditor's conclusions may be warranted. The State Auditor's report is primarily based upon an examination of HHAP Round 1. Each successive round of HHAP has included greater data collection and accountability requirements. This is especially true for HHAP Rounds 3-5. Specifically, data collection and monitoring improvements in HHAP Rounds 3-5 include:

- HHAP recipients must report accountability metrics based on the United States Department of Housing and Urban Development's system performance measures and local homelessness action plans. These include:
 - the number of persons experiencing homelessness;
 - the number of persons who become homeless for the first time;
 - the number of people exiting homelessness into permanent housing;
 - the length of time people remain homeless;
 - the number of people who return to homelessness after exiting homelessness to permanent housing;
 - the number of successful placements from street outreach; and
 - data on how underserved populations and overrepresented populations disproportionately impacted by homelessness fare in relation to the outcomes listed above.
- Local homeless data collection (HMIS) has been integrated into a statewide database (HDIS), allowing Cal-ICH to begin engage in regular system performance monitoring, evaluation, and feedback.

- HHAP recipients must participate in the creation of regionally-coordinated plans for addressing homelessness, which must be memorialized in the form of officially-approved memoranda-of-understanding between the parties.

In regard to these changes, the State Auditor acknowledged that:

The Legislature made significant changes to the program that began with Round 3, requiring that applicants establish measureable outcome goals, such as reducing the number of people experiencing homelessness and reducing the length of time that people remain homeless. To the extent CoCs establish meaningful outcome goals, the goals should provide better benchmarks against which the State can measure spending and evaluate cost-effectiveness.

Though these data collection and accountability mechanisms are now in place, HHAP recipients are still in the process of obligating and expending their HHAP funding. As a result, though HHAP data collection systems and requirements have gotten stronger, some lag remains between the implementation of these improvements and the availability of more detailed outcome data.

KEY QUESTIONS:

- Understanding that a report on HHAP is forthcoming, what performance data updates can you share at this time?
- Does the HHAP Round 5 requirement for recipients to develop and memorialize a regionally coordinated plan appear to be achieving the intended result of ensuring more effective and efficient collaboration?
- The State Auditor's recent report on Homelessness Programs in California concluded that it had insufficient information from which to determine whether HHAP is cost-effective. In relation to that finding:
 - Do you agree with the State Auditor's assessment?
 - Why is there still relatively little outcome data available for HHAP?
 - What steps is Cal-ICH taking to ensure data collection and monitoring improvements in the HHAP program?
 - When can the Legislature anticipate seeing significant improvements in this regard?
- The State Auditor's report also found some inaccuracies in the data that HHAP recipients did report. What steps is Cal-ICH taking to ensure that these sorts of inaccuracies cannot recur?
- The State Auditor's report on use of homelessness funding in San Diego and San Jose found that permanent housing solutions are more effective at addressing homelessness than interim housing solutions. Should the Legislature do more to require or encourage the use of HHAP dollars to build permanent affordable housing?

Encampment Resolution Fund:

DESCRIPTION: ERF provides grant funding to local entities on a competitive basis for the purpose of addressing specific homeless encampment sites within their jurisdictions. As part of the process of removing the targeted encampments, ERF grant recipients are supposed to transition encampment residents to alternative housing. The third round of ERF grants focus on addressing encampments located in state right-of-ways and includes a requirement for the applicant to collaborate with the California Department of Transportation.

As set forth in the following table, there have been three rounds of ERF grants to date. Because each round has been oversubscribed, Rounds 2 and 3 began with “lookback” awards that picked up qualifying applications from the previous round. Such “lookback” awards are indicated by an “L” below.

ERF Round	Amount Awarded	Number of Awards	Disbursal to Deadline for Expenditure Window
1	\$48 million	19	Spring 2022 - June 30, 2024
2L	\$48 million	8	Spring 2023 - June 30, 2025
2	\$199 million	30	Winter 2022/Spring 2023 - June 30, 2026
3L	\$81 million	12	Fall 2023 - June 30, 2026
3	\$299 million	Not yet known	Spring/Summer 2024 – June 30, 2027

Additional details about each round of ERF and the individual grants awarded can be found here:

https://bcsh.ca.gov/calich/erf_program.html

CURRENT STATUS: ERF Rounds 1 through 3L have already been awarded and the corresponding local work is underway. As indicated in the table above, even ERF Round 1 recipients have until June 30, 2024 to full expend their awards.

Cal-ICH released its request for applications for ERF Round 3 in November 2023 and will continue accept applications through June 30 2024. It will continue to make awards on a rolling basis through that time.

The most currently available ERF outcome data, reflected in the table below, is from September 2023. It is important to note that this data was reported while much of the ERF grant work was relatively nascent. At that time, ERF recipients reported the following:

ERF Round	Number of Encampments Designated for Resolution	People Served	People Still in the Encampments	Encampments “Resolved”
1	20	2948	970	3
2	37	965	484	3
3	Not yet awarded	Not yet awarded	Not yet awarded	Not yet awarded

PRESENT 2024 BUDGET OUTLOOK: The Governor’s January 2024 Budget does not propose any cuts to the ERF program.

RECENT STATE AUDIT: On April 9, 2024, the State Auditor’s Office released a report on Homelessness Programs in California. With respect to the ERF program, the State Auditor found that:

We also could not determine the cost-effectiveness of the ERF program—which transitions people from encampments into safe and stable housing. Cal ICH has not collected complete outcome data for this program, and the expenditure data it has collected may be unreliable that it did not have sufficient information with which to evaluate the cost-effectiveness of the program due to limited and inconsistent data collection.

The State Auditor’s conclusion raises important questions about whether the state is adequately tracking the use and effectiveness of ERF spending and whether changes to the program are warranted.

KEY QUESTIONS:

- Is Cal-ICH able to provide an update on the performance of the ERF program?
- What does Cal-ICH mean by “people served” in the ERF context and how does Cal-ICH track this information?
- What does Cal-ICH mean by encampments “resolved” in the ERF context and how does Cal-ICH track this information?
- The State Auditor concluded that there was insufficient data for it to assess whether or not the ERF program is cost effective. With respect to that finding:
 - What steps has Cal-ICH taken to improve data collection related to ERF?
 - When can the Legislature expect to see additional and/or more detailed outcome data for ERF?
- What assurance is there that actions taken under ERF are not just pushing encampments and their residents to other locations, rather than “resolving” them?

Family Homelessness Challenge Grants:

DESCRIPTION: FHCG provides competitive grants and technical assistance to local jurisdictions to “promote rapid innovation, accelerate nascent programs, and expand promising practices to create scalable solutions that can be shared across the state to address and ultimately end family homelessness.”

As the following table illustrates, FHCG has consisted of two rounds to date and no further rounds are planned. Only the ten grantees who received FHCG grant Round 1 awards were eligible to apply for FHGC Round 2, but receiving a Round 2 award is contingent upon the awardee's performance in Round 1.

FHCG Round	Amount	Number of Awards	Disbursal to Deadline for Expenditure Window
1	\$17 million	10	Summer 2022 - June 30, 2026
2	\$15 million	TBD	Spring 2024 – June 30, 2026

Additional information about the FHCG grant program and specific awards made under it can be found here:

https://bcsh.ca.gov/calich/fhc_program.html

CURRENT STATUS:

Cal-ICH issued a request for applications for FHGC Round 2 in December 2023 and accepted applications until late February 2024. It is currently reviewing and scoring those applications. It will announce the FHGC Round 2 recipients on April 29, 2024.

PRESENT 2024 BUDGET OUTLOOK: The Governor's January 2024 Budget did not propose any cuts or other changes to the FHCG program.

RECENT STATE AUDIT: The April 9, 2024 report on Homelessness Programs in California did not specifically examine the FHCG program.

KEY QUESTIONS:

- How does Cal-ICH track FHCG outcomes and what data is currently available?
- What indicators can the Legislature look to in order to understand whether this program has been effective or not?
- How will Cal-ICH determine to which of the FHCG Round 1 recipients it will give FHCG Round 2 grants?

Staff Recommendation. Information only.

Issue 3: Transition of Homelessness-Related Grant Administration from the California Interagency Council on Homelessness to the Housing and Community Development Department and Related Staffing Increase Request

Governor’s Budget Proposal. Through a budget change proposal and a related budget trailer bill, the Administration proposes to complete the statutorily-mandated transition of homelessness-related grants management from the California Interagency Council on Homelessness (Cal-ICH) to the Department of Housing and Community Development (HCD) by July 1, 2024. Specifically, the budget change proposal requests new position authority for 4.0 positions in 2024-25 and ongoing for HCD to subsume and administer the Homeless Housing, Assistance and Prevention (HHAP) program. Cal-ICH will also transfer to HCD 22.0 existing positions that currently support operation of HHAP, the Encampment Resolution Fund, and the Family Homelessness Challenge Grant program. The corresponding budget trailer bill proposal provides technical updates to the relevant statutes.

Background. Cal-ICH was created in order to establish a central hub connecting and coordinating the activities of programs addressing homelessness throughout state government. As originally envisioned, Cal-ICH’s role was also something akin to a specialized think-tank; it was supposed to gather data, conduct research, and provide an overarching strategic vision for the state’s homelessness efforts. (SB 1380, Mitchell, Ch. 847, Stats. 2016.)

Not long after the establishment of Cal-ICH, the state also tasked it with the administration of three major homelessness grant programs: the Homeless Housing Assistance and Prevention (HHAP) program; the Encampment Resolution Fund (ERF); and the Family Homelessness Challenge Grants (FHCG). (See Item 2 of this agenda for details on each of these programs.) Institutionally, however, Cal-ICH had limited experience managing grants. Moreover, managing the homelessness grants pulled Cal-ICH away from its central mission of coordinating policy between government sectors. With these considerations in mind, the 2023 Budget Act directed Cal-ICH to begin the process of transferring administration of HHAP, ERF, and FHCG to HCD. (AB 129, Ting, Ch. 40, Stats. 2023.) By contrast with Cal-ICH, HCD has decades of experience managing grant programs. Moreover, transferring grant management duties to HCD was intended to free up Cal-ICH to focus on its core aptitudes. The transfer is scheduled to be complete by the end of this fiscal year, June 30, 2024.

According to the Administration, there are two staffing adjustments necessary to carry out this transition. The first involves the transfer of 22 existing position from Cal-ICH to HCD. This is the core Cal-ICH staff that has operated the HHAP, ERF, and FHCG grant programs and will continue to do so at HCD. The second adjustment is the subject of this Budget Change Proposal: the addition of four more staff to help carry out HHAP grant operations. The four additional staff will consist of an additional Staff Services Manager and three HCD Representatives. According to HCD, this staffing augmentation will enable the Department to “ensure an effective transition of the HHAP Program, timely delivery of future allocations, and responsive technical assistance to grantees [...] to support local implementation, compliance, and risk mitigation.”

Finally, transition of the programs requires some statutory clean up. These statutory fixes are provided by an accompanying budget trailer bill proposal. The proposed budget trailer bill

language also corrects outdated references to HHAP “bonus” awards and would, if adopted as currently written, reflect the Governor’s proposal to delay disbursement of \$260 million in supplemental HHAP funding until fiscal year 2025-26.

Staff Comments: The additional position authority requested by this budget change proposal does not come with a corresponding request for increased funding. This is because the positions would be paid for as part of the existing administrative cost set-asides already included within each program. Of course, even if existing budgets accounts for the possibility of greater administrative costs, that does not mean they should be increased unnecessarily. Since Cal-ICH was able to administer the grant programs in question with the 22 staff positions that will now be transferred to HCD, the Subcommittee may wish to inquire further about the need for the four additional positions that this Budget Change Proposal requests. Some of the answer may be found in the criticism that Cal-ICH recently received from the State Auditor’s Office over an alleged failure to collect and report data on its grant programs consistently enough. To the degree to which greater staffing of the programs could facilitate more regular data collection and reporting, this budget change proposal could be viewed as appropriately responsive to the State Auditor’s concerns.

Staff Recommendation. Hold open.

**Issue 4: Delays to the Supplemental Homeless Housing Assistance and Prevention (HHAP)
Round 5 Funds Disbursement**

Governor’s Budget Proposal: The Governor’s January 2024 Budget and related budget trailer bill language propose to delay the availability for distribution of \$260 million in supplemental Homeless Housing Assistance and Prevention (HHAP) funding from 2023-24 to 2025-26. Because the \$260 million in question comes from the General Fund, the delay would result in a current year General Fund savings of that amount, and a corresponding increase in General Fund commitments in 2025-26.

Background. As described in greater detail in Item 3 of this agenda, the HHAP program provides flexible funding to large cities, counties, continuums of care, and tribal entities to address homelessness. There have been five rounds of HHAP funding since 2019.

Rounds 3 and 4 of HHAP originally included \$360 million in “bonus” funding (\$180 million for each round). This bonus money was actually just money taken out of the initial HHAP allocation and held in reserve. Later, when performance data became available, those recipients who achieved specified homelessness reduction and prevention goals would receive a share of the bonus money while recipients who did not hit their targets would not. The idea was to provide a financial incentive for recipients to perform well.

In practice, however, the bonus funding concept proved problematic. For one thing, it encouraged recipients to set low performance goals for themselves in order to ensure that they would qualify for the bonus. Ultimately, the Governor stepped in to demand that recipients set higher targets. For another thing, the bonus system had a perverse impact: it took resources from places with increasing (or more slowly decreasing) need and redirected those resources to places with decreasing need. Finally, by holding money in reserve, the bonus system withheld distribution of some of the resources and services that communities and unhoused individuals needed to address immediate and critical needs.

With these drawbacks in mind, the 2023 Budget Act revised how the \$360 million in HHAP Round 3 and 4 bonus money was to be handled. Specifically, the 2023 Budget Act directed Cal-ICH/HCD to distribute \$100 million of the Round 3 and 4 bonus money together with the initial HHAP distribution, thus deploying this money more quickly. The 2023 Budget Act then directed Cal-ICH/HCD to disburse the remaining \$260 million in HHAP Round 3 and 4 bonus money beginning in 2024-25.

The Governor’s January 2024 Budget now proposes to delay the availability of that \$260 million for distribution for another year, until 2025-26.

The Administration believes the delay will have limited programmatic impact. In support of this view, the Administration points out that most of the initial HHAP Round 5 distributions will not take place until 2024-25. Round 5 applications were due in late March 2024. Cal-ICH/HCD have up to 90 days to approve them or request additional information. Thus, even those recipients approved right away probably will not receive their initial disbursements of Round 5 funding until close to July 2024, and most will come after that. To be eligible for the second half of their HHAP

Round 5 funding, recipients will have to obligate 75 percent of their initial disbursement and fully spend 50 percent of it. They have until June 30, 2026 to meet those benchmarks. All of this means that recipients will already have half of their HHAP funding available to them during 2024-25 and will be under some time pressure to expend it. Thus, whether the recipients receive their share of the supplemental \$260 million in that timeframe or the following year should not have significant programmatic impacts.

The HHAP recipients generally disagree. From their point of view, the homelessness crisis is urgent and any delay in HHAP funding detracts from their ability to address it. Their concern may also be motivated by an understanding that funding delays in this budget risk become funding cuts in future budgets, especially given that current forecasts project that California will continue to face budget deficits for the next few years.

Staff Comments: This proposal involves a delay, not a cut. Accordingly, it should not ultimately impact the amount or quality of service that unhoused Californians receive. If the Administration's assessment of the HHAP funding distribution timeline is correct, the delay would even have relatively little practical impact on when the funding actually gets disbursed. However, the recipients are justified in worrying that any delay in funding distribution leaves that funding at risk of being cut in the future. Any such cut would be especially harmful to the State's efforts to address homelessness in light of the absence, currently, of funding for a sixth round of HHAP. Thus, the Subcommittee may wish to consider whether, if it eventually elects to approve this proposed delay, it should seek commitments from the Administration regarding a sixth round of HHAP and/or some assurance that the Administration will not seek to cut the \$260 million in question in future budgets.

Staff Recommendation. Hold open.

Issue 5: Reversion of Homeless Housing Assistance and Prevention (HHAP) Administrative Savings

Governor’s Budget Proposal. The Governor’s January 2024 Budget proposes to revert \$100.6 million in administrative savings from the Homeless Housing Assistance and Prevention (HHAP) program back to the General Fund.

Background. Each allocation of funding to the HHAP program has included a set-aside for state administration of the program. Until recently, the California Interagency Council on Homelessness (Cal-ICH) has undertaken this administration. As detailed further in Item 3 of this agenda, the 2023 Budget Act initiated a year long process of transferring administration of the HHAP program to the Housing and Community Development Department (HCD).

In many instances, Cal-ICH has not utilized the full amount of its administrative set-aside to operate the program. In order to help address the deficit, the Governor’s budget proposal pools these remaining administrative balances and redirects the total of \$100.6 million back to the General Fund.

According to commentary accompanying the Governor’s January 2024 Budget Proposal, Cal-ICH and HCD would still have \$51.1 million for HHAP program administration even after reversion of these administrative savings. The Administration states that \$51.1 million “matches the resources required to administer HHAP.”

Staff Comments: The Senate’s original Early Action plan included adoption of this proposed reversion but it was removed from the final Early Action agreement.

Because this proposal involves capturing administrative savings, adopting it should not result in decreased funding to locals nor any decrease in services to unhoused individuals. However, the Subcommittee may wish to consider whether these savings should be redirected toward funding a sixth round of HHAP, which would result in greater services for the unhoused, as opposed to directing these savings toward balancing the budget, which would not.

Staff Recommendation. Hold open.

Issue 6: Homeless Housing Assistance and Prevention (HHAP) Round 6 Funding

Potential Legislative Proposal: Provide funding of up to \$1 billion in General Fund for a sixth round of the Homeless Housing Assistance and Prevention (HHAP) program.

Background. As detailed further in Item 2 of this agenda, there have been five rounds of HHAP funding providing a total of just under \$4 billion to large cities, counties, continuums of care, and tribal entities to support regional efforts to address homelessness. Each of these HHAP Rounds was funded on a one-time basis, leaving no guarantee that this funding would be available in future years.

Nonetheless, the 2023 Budget included a statement from the Legislature expressing its intent to fund a sixth round of HHAP.

The Governor’s January 2024 Budget Proposal does *not* include any funding for a sixth round of HHAP. However, in commentary accompanying that proposal the Administration indicated that:

As part of the spring budget process, the Administration will commit to working closely with the Legislature on additional funding to support local governments’ response to the homeless crisis—assuming local governments deliver on the performance commitments made under HHAP 3 and HHAP 4, and on the regional planning and coordination requirements of HHAP 5.

Staff Comments: In light of the statement above, the Subcommittee may wish to inquire of the Administration whether or not it considers that its prerequisites for initiating a conversation about a sixth round of HHAP funding have been met. Relatedly, the Subcommittee may want to ask whether the Administration sees any other obstacles to funding a HHAP Round 6, apart from the overall budget problem.

Though appreciative of the resources that HHAP has provided to date, local governments and homelessness service providers have been frustrated by the one-off character of the program. They point out that, in the absence of an ongoing commitment to the program, they cannot count on these resources beyond the short-term. Among other challenges, this dynamic complicates longer-range planning, discourages strategies that require investment over time, and makes it difficult to hire and retain staff.

Staff Recommendation. Information only.

Issue 7: Homeless Housing Assistance and Prevention (HHAP) Program – Recipient Perspectives

Background: As previously described, HHAP currently funds four categories of recipients: (1) large cities; (2) counties; (3) continuums of care; and (4) tribal entities. The purpose of this panel to hear from representatives of each type of recipient regarding what outcomes they have been able to achieve using HHAP resources, where there have been shortcomings, and how the Governor’s proposed budget, including the absence of funding for a sixth Round of HHAP, would impact their ability to address homelessness going forward.

Witnesses: The panel consists of witnesses invited to represent the perspective of each category of HHAP recipient.

- **Large City Perspective:**
 - **Darrell Steinberg, Mayor, City of Sacramento**
- **County Perspective:**
 - **Graham Knaus, Chief Executive Officer, California State Association of Counties Representative**
- **Continuum of Care Perspective:**
 - **Tamera Kohler, Chief Executive Officer, Regional Task Force on Homelessness**
- **Tribal Perspective:**
 - **Annalee Trujillo, Director, Pala Band of Mission Indians/Pala Housing Resource Center**

Staff Recommendation. Information only