

Date of Hearing: May 8, 2024

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 2570 (Joe Patterson) – As Introduced February 14, 2024

Policy Committee: Housing and Community Development Vote: 9 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the Department of Housing and Community Development (HCD) as part of its annual report to the Governor and the Legislature on specified programs administered by the department to include an evaluation of the Homeless Housing, Assistance, and Prevention (HHAP) program.

FISCAL EFFECT:

HCD indicates minor and absorbable costs.

COMMENTS:

1) **Purpose.** According to the author:

Accounting for nearly 30% of the nation's homeless population, California continues to face a growing homelessness epidemic. In response to this staggering reality, state leaders have tackled the issue through the development of varying programs and funding sources. While the effort possesses altruistic intentions, the HHAP program has failed to address the ever-intensifying homelessness crisis in California, with the state experiencing the second largest increase in homeless population in the nation from 2022-2023. It is crucial for state leaders to become informed of the problems plaguing our homelessness efforts, of which are funded by taxpayer dollars. I believe that by requiring a status update and review of the HHAP program in HCD annual report to the Governor and both houses of the Legislature, we will be able to shed light on the flaws in our plan of action in addressing the overwhelming homelessness issue in our state.

2) **Background.** The HHAP Program provides jurisdictions with one-time grant funds to expand or develop local capacity to address immediate homelessness challenges. The program is informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Program funds can be used for services for those experiencing homelessness or at risk of homelessness, such as rapid rehousing, operating subsidies, street outreach, services coordination, delivery of permanent and innovative housing solutions, and homelessness prevention.

Large cities, counties, Continuums of Care (CoCs), and tribes can apply for HHAP funding. HHAP has received \$3.95 billion in funding from 2019-24. Round four of the HHAP Program included robust accountability provisions, including the requirement that applicants develop a Local Action Plan and performance goals. Round five requires regions to submit a joint application and plan for addressing homelessness.

Applicants recently submitted applications for round five of HHAP and are currently receiving funds. The Governor's January budget proposes to maintain \$1 billion General Fund in 2023-24 for a fifth round of HHAP.

HCD completes an annual report to the Governor and the Legislature of programs the department administers, including the number of people served by income level and the number of units created. This bill adds an evaluation of the HHAP program to the report.

- 3) **Clarifying Amendment.** In the 2022-23 budget, the HHAP program, previously administered by the Interagency Council on Homelessness (Cal-ICH), was moved to HCD. The bill incorrectly references Cal-ICH as the administrating entity of the HHAP. The Committee suggests deleting the erroneous reference, as follows:

- (9) An evaluation of the Homeless Housing, Assistance, and Prevention program (Chapter 6 (commencing with Section 50216) of Part 1), ~~as administered by the Business, Consumer Services, and Housing Agency and the Interagency Council on Homelessness.~~

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