

GOVERNOR'S VETO
AB 2570 (Joe Patterson)
As Enrolled June 25, 2024
2/3 vote

SUMMARY

Requires the Department of Housing and Community Development (HCD) as part of its annual report on specified programs to include an evaluation of the Homeless Housing, Assistance, and Prevention (HHAP) program as administered by the Business, Consumer Services, and Housing Agency and the Interagency Council on Homelessness.

Governor's Veto Message

"I am returning Assembly Bill 2570 without my signature. This bill would require the Department of Housing and Community Development to conduct an annual evaluation of the Homeless Housing, Assistance and Prevention program (HHAP) and include that information in the Department's annual report.

I support increasing transparency and accountability for cities and counties' use of state funding to address homelessness. Earlier this year, I directed California's Housing Accountability Unit to increase its oversight and enforcement of existing housing laws to address homelessness. Additionally, the recently adopted 2024 Budget includes statutory language that requires more frequent reporting by HHAP grantees on their expenditures, corrective action plans for grantees not meeting specified performance measures, and maintenance of compliant Housing Elements prior to receiving additional HHAP funding.

This bill is redundant to these efforts and creates an unnecessary ongoing workload for the Department without providing additional accountability or transparency to taxpayers."

COMMENTS

CA-ICH: In 2016, SB 1380 (Mitchell), Chapter 847, created the Homelessness Coordinating and Financing Council, which was renamed the California Interagency Council on Homelessness (CA-ICH) in 2021 (AB 1220 (L. Rivas), Chapter 398) to coordinate the state's response to homelessness. SB 1380 set out a list of list of "goals" for CA-ICH to focus on, but no clear authority to make changes to state policy or programs that address homelessness. CA-ICH is also responsible for ensuring that all state housing and homelessness programs follow Housing First principles. As the state's homelessness crisis has worsened, the role of the CA-ICH has significantly increased. The council was responsible for administering several programs dedicated to addressing homelessness, including HHAP and the Encampment Resolution Program.

HHAP: The HHAP Program was created to provide jurisdictions with one-time grant funds expand or develop local capacity to address immediate homelessness challenges 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. HHAP replaced a prior program, the Homeless Emergency Aid Program (HEAP),

which also provided block grants to large cities and Continuums of Care (CoCs) for a variety of solutions addressing homelessness. Large cities (with a population of 300,000 or more), counties, 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 applicant and plan for addressing homelessness.

Local Action Plans required HHAP recipients to set outcome goals that prevent and reduce homelessness over a three-year period, informed by the findings from a local landscape analysis and the jurisdiction's base system performance measure from 2020 calendar year data in the Homeless Data Integration System. The outcome goals included definite metrics, based on the United States Department of Housing and Urban Development's system performance measures, to do the following:

- 1) Reduce the number of persons experiencing homelessness;
- 2) Reduce the number of persons who become homeless for the first time;
- 3) Increase the number of people exiting homelessness into permanent housing;
- 4) Reduce the length of time persons remain homeless;
- 5) Reduce the number of persons who return to homelessness after exiting homelessness to permanent housing; and
- 6) Increase successful placements from street outreach.

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

HCD Reporting: HCD completes an annual report of programs that they administer, including how many people served by income level and the number of units created. This bill would add an evaluation of the HHAP program to the report. In the 2022-23 Budget, the HHAP program and the Encampment Resolution Program, the two programs previously administered by Cal-ICH, were moved to HCD.

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 Homeless Housing, Assistance, and Prevention 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 Homeless Housing, Assistance, and Prevention program in the Department of Housing and Community Development 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."

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations: HCD indicates minor and absorbable costs.

VOTES**ASM HOUSING AND COMMUNITY DEVELOPMENT: 9-0-0**

YES: Ward, Joe Patterson, Grayson, Kalra, Lee, Quirk-Silva, Reyes, Sanchez, Wilson

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Sanchez, Arambula, Bryan, Calderon, Wendy Carrillo, Dixon, Mike Fong, Friedman, Haney, Hart, Jim Patterson, Pellerin, Ta, Villapudua

ASSEMBLY FLOOR: 71-0-9

YES: Aguiar-Curry, Alanis, Arambula, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Juan Carrillo, Wendy Carrillo, Chen, Connolly, Davies, Dixon, Essayli, Mike Fong, Friedman, Gabriel, Gallagher, Garcia, Grayson, Haney, Hart, Holden, Hoover, Jackson, Jones-Sawyer, Kalra, Lackey, Lee, Low, Lowenthal, Maienschein, McCarty, McKinnor, Muratsuchi, Stephanie Nguyen, Ortega, Pacheco, Papan, Jim Patterson, Joe Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Rendon, Reyes, Luz Rivas, Rodriguez, Blanca Rubio, Sanchez, Santiago, Schiavo, Soria, Ta, Ting, Valencia, Villapudua, Waldron, Wallis, Ward, Weber, Wicks, Wilson, Wood, Zbur, Robert Rivas

ABS, ABST OR NV: Addis, Alvarez, Cervantes, Megan Dahle, Flora, Vince Fong, Gipson, Irwin, Mathis

SENATE FLOOR: 36-0-4

YES: Archuleta, Ashby, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dahle, Dodd, Eggman, Glazer, Gonzalez, Hurtado, Jones, Laird, Limón, McGuire, Menjivar, Min, Newman, Nguyen, Niello, Ochoa Bogh, Padilla, Portantino, Roth, Rubio, Seyarto, Skinner, Smallwood-Cuevas, Stern, Umberg, Wahab, Wiener, Wilk

ABS, ABST OR NV: Allen, Alvarado-Gil, Durazo, Grove

UPDATED

VERSION: June 25, 2024

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FN: 0003734