

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1708 (Solache) – As Amended April 6, 2026

Policy Committee:	Housing and Community Development	Vote:	12 - 0
	Human Services		6 - 0

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

SUMMARY:

This bill, beginning with funding allocations under round 8 of the Homeless Housing, Assistance, and Prevention (HHAP) program, requires a round 8 regionally coordinated homelessness action plan to include certain components necessary to allocate a portion of the funding to smaller jurisdictions.

Specifically, this bill:

- 1) Defines “smaller jurisdiction” to mean a city with a population under 300,000.
- 2) Requires HHAP round 8 to include a description of programs and interventions provided by smaller jurisdictions that serve the objectives and goals of HHAP, as specified.
- 3) Requires HHAP round 8 to include an analysis that contains, among other items, an analysis of how local, state, and federal funding can be allocated to support programs identified for smaller jurisdictions.
- 4) Allows a region receiving funding under HHAP round 8 to allocate a portion of that funding to smaller jurisdictions to support the programs in the regional plan.
- 5) Requires a region to establish a transparent and publicly available process through which smaller jurisdictions may apply for or otherwise access funding that includes, but is not limited to, timelines, evaluation criteria, and decision-making formulas.
- 6) Requires a smaller jurisdiction to do the following to be eligible for HHAP round 8 funding:
 - (a) have a compliant housing element, (b) have adopted a local encampment policy consistent with administration guidance, (c) demonstrate how its past actions, programs, and appropriation of funds have served the objectives and goals of the regionally coordinated homelessness action plan and the intent of the HHAP, and (d) adopt a resolution that commits to participating in, and complying with, the regionally coordinated homelessness action plan.

FISCAL EFFECT:

The Governor’s proposed 2026-27 budget does not stipulate funding for HHAP round 8.

Should funding be provided, the Department of Housing and Community Development (HCD) would likely require additional General Fund resources in the hundreds of thousands of dollars for added workload associated with new round 8 program requirements, including an increase in the number of requests for technical assistance by local jurisdictions.

The Budget Act of 2025 provided \$500 million for HHAP round 7. The Governor's proposed 2026-27 budget maintains the \$500 million appropriation but provides no additional funding.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

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

Currently, only 14 of the state's 483 cities can access HHAP funding directly. There is no statutory requirement for direct recipients to equitably or meaningfully allocate funds to smaller cities in their region. As a result, many small and mid-sized cities lack a clear pathway to these existing state resources, even as they invest their own limited local dollars to address homelessness. As the state continues to demand meaningful results in addressing homelessness across California, [this bill], offers equitable opportunities for cities of all sizes to access state funding to supplement the work they are already doing to support their unhoused residents.

2) **Background.** HHAP is a flexible grant program to address homelessness at the local level. First established in 2019, HHAP provides direct funding to counties, large cities, and CoCs to support regional coordination and expand local capacity to address homelessness through a range of interventions including interim housing, permanent supportive housing, outreach, homelessness prevention, and supportive services. Eligible recipients are the state's 58 counties, 14 cities with populations over 300,000, and 44 CoCs.

HHAP applicants must submit regionally coordinated action plans to HCD identifying each jurisdiction's roles and responsibilities in addressing homelessness. While cities with populations under 300,000 may participate in these plans, counties and CoCs, are encouraged, but not required, to allocate HHAP funding to those cities.

Since 2019, HHAP has received 7 rounds of funding totaling \$5.45 billion. Of this amount \$3.9 billion has been awarded. Round 6 of HHAP, funded at \$1 billion, is in the awards phase. As of April 2026, HCD has awarded more than \$724 million across 31 of 42 regional applications submitted. Round 7 of HHAP received a reduced \$500 million in the Budget Act of 2025, contingent on additional accountability, with a commitment that funds will go out in an expedited fashion. The Governor's proposed 2026-27 budget maintains the \$500 million round 7 appropriation but provides no funding for round 8.

This bill establishes a process for smaller jurisdictions to access round 8 funding, should funding be allocated in the state budget.

- 3) **Support and Opposition.** This bill is sponsored by the League of California Cities and supported by numerous small and medium-sized cities across California. They assert, because there is no requirement to engage or allocate HHAP resources to small and medium-sized cities, many cities lack a pathway to access HHAP funding, even as they invest significant General Fund resources to prevent and reduce homelessness in their communities.

This bill is opposed by Los Angeles Mayor Karen Bass and the Corporation for Supportive Housing, who share the goal of expanding HHAP small cities, but argue that goal should be achieved by increasing overall funding. They assert this bill instead dilutes an already reduced pool of funding, increases administrative burden on CoCs, and risks destabilizing existing programs.

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