

Date of Hearing: July 15, 2025

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

SB 606 (Becker) – As Amended June 23, 2025

**SENATE VOTE:** 38-0

**SUBJECT:** Homeless Housing, Assistance, and Prevention program: reporting requirements: functional zero unsheltered

**SUMMARY:** Adds to the information required of applicants to the Homeless Housing, Assistance, and Prevention (HHAP) program and establishes a definition for “functional zero unsheltered.” Specifically, **this bill:**

- 1) Requires HHAP applicants, beginning with Round 7, in addition to the data required under existing law, to provide the following information for all rounds of program allocations:
  - a) An assessment of what would be required for the applicant to achieve and maintain “functional zero unsheltered,” defined as sufficient housing options of all types to accommodate a jurisdiction’s unsheltered, chronically homeless population based on its most recent homeless point-in-time count;
  - b) Requires the assessment to include a financial model that will assess needs for investment in capital for the purpose of building permanent housing and interim interventions; operating supports in project-based housing and interim interventions; rental assistance with private-market landlords; and, service costs for purposes of moving persons experiencing homelessness into permanent housing;
  - c) All of the following information regarding the applicant’s implementation of local homeless housing incentives:
    - i) Whether the applicant has a shelter crisis declaration that is currently valid and in effect, and, if so, whether the applicant has adopted California Building Code Appendix P or other local variations;
    - ii) What steps the applicant has taken to reduce the number of discretionary approvals required of interim and permanent housing projects;
    - iii) Whether the applicant has waived applicable zoning requirements;
    - iv) Whether the applicant has waived local fees charged to affordable housing projects serving low-income and homeless populations; and,
    - v) Whether the applicant allows affordable housing project appeals to be heard, despite “by right” ministerial authority;
  - d) A demonstration of the applicant’s efforts to include “small cities” in its regionally coordinated homeless action plan, defined as the cities in a jurisdiction that are not HHAP program applicants.

- 2) Requires the assessment to do all of the following:
  - a) Identify funding programs that provide housing or services to persons experiencing homelessness; and, the total number and type of permanent housing beds, units, or opportunities and interim interventions available to persons experiencing homelessness statewide and in geographically diverse regions across the state. Requires the data to also include, but not be limited to: the number of year-round shelter beds; the average length of stay in or use of interim interventions, to the extent data is available; and, the exit rate from an interim intervention to permanent housing, to the extent data is available;
  - b) Describe for each program to the extent that data is available: the amount of funding the program receives each year and funding sources for the program; the number of persons the program serves each year, and the types of housing and services provided to the persons each year disaggregated by race and gender; limitations, if any, on the length of stay for housing programs and length of provision of services for service programs, and if applicable, reasons for the unavailability of data; and,
  - c) Analyze the need for permanent housing opportunities, including, but not limited to, supportive housing, rapid rehousing, affordable housing; the need for services to assist persons in exiting homelessness and remaining housed; and, the need for additional interim interventions and funding needed to create these interventions, taking into consideration the ideal length of stay in or use of the intervention.

**EXISTING LAW:**

- 1) Established Round 5 of the HHAP program, administered by the California Interagency Council on Homelessness (Cal ICH), for the 2023-24 fiscal year and provided the framework for distribution, use, and oversight of \$1 billion in funding. Made receipt of Round 5 funding contingent on the creation of, and adherence to, a Regionally Coordinated Homelessness Action Plan (RCHAP). (Health and Safety Code [HSC] § 50238 *et seq.*)
- 2) States the intent of Round 5 is to sustain existing federal, state, and local investments toward long-term sustainability of housing and supportive services. Requires applicants to develop data-driven plans which fund the state's priorities. Specifies, before proposing to use Round 5 resources to fund new interim housing solutions, the applicant must first demonstrate that the region has dedicated sufficient resources from other sources to long-term permanent housing solutions. (HSC § 50236(a))
- 3) Established Round 6 of the HHAP program in the 2024-25 fiscal year for implementation of the program, to be administered by the Department of Housing and Community Development (HCD). (HSC § 50239 *et seq.*)
- 4) States the intent of Round 6 is to reflect the state's priorities to prevent and expeditiously reduce unsheltered homelessness through homelessness prevention activities, sustaining existing interim housing solutions, and permanent housing solutions, including long-term sustainability of affordable permanent supportive housing. (HSC § 50243)
- 5) Requires HHAP program recipients to use at least 10% of the funds allocated under Round 6 for services for homeless youth populations. (HSC § 50241(e))

- 6) Requires a recipient, after receiving HHAP funds, to annually submit a report to HCD that includes ongoing tracking of the specific uses and expenditures of any program funds broken out by eligible uses listed, the number of homeless individuals served by HHAP funds in that year, the total number of homeless individuals served in all years of the program; the types of housing assistance provided, broken out by the number of individuals, outcome data for an individual served through HHAP funds, including the type of housing that an individual exited to, the percent of successful housing exits, and exit types for unsuccessful housing exits. Requires HCD to post this information to its website and to provide notice to the relevant legislative committees. (HSC § 50221)
- 7) Requires applicants to provide specified information through a data collection, reporting, performance monitoring, and accountability framework, as established by HCD. (HSC § 50222)
- 8) Defines “homeless youth” to mean an unaccompanied youth between 12 and 24 years of age, inclusive, who is experiencing homelessness, as defined in the federal McKinney-Vento Homeless Assistance Act. “Homeless youth” includes unaccompanied youth who are pregnant or parenting. (HSC § 50216(l))

**FISCAL EFFECT:** According to the Senate Committee on Appropriations analysis on May 23, 2025, “Staff estimates that HCD would incur significant ongoing costs in future fiscal years in which funding is provided for the program, at least in the high hundreds of thousands of dollars annually, to provide technical assistance to a high volume of regional and local entities, develop forms, processes, and procedures for HHAP applicants to submit specified assessments and information, conduct review and analysis of information received from applicants, and conduct monitoring of HHAP applicants’ progress in addressing homelessness. (General Fund)”

#### **COMMENTS:**

**Background:** HHAP was established in 2019 through the budget process (AB 101 [Committee on Budget], Chapter 159, Statutes of 2019) to provide block grant funding to address immediate homelessness challenges in California. Cities with a population over 300,000, and all counties and continuums of care (CoCs) within California are eligible for funding.

HHAP funding is flexible and grantees are permitted to choose what to fund for services based on their specific community needs. Some HHAP-eligible uses include rental assistance and rapid rehousing, prevention and shelter diversion to permanent housing.

As of 2025, six rounds of funding have been authorized for HHAP:

- HHAP Round 1 (2019–20): \$650 million
- HHAP Round 2 (2020–21): \$300 million
- HHAP Round 3 (2021–22): \$1 billion
- HHAP Round 4 (2022–23): \$1 billion
- HHAP Round 5 (2023–24): \$1 billion

- HHAP Round 6 (2024–25): \$1 billion appropriated, with \$760 million available for disbursement

With each funding round, distinct priorities were identified in an effort to reduce homelessness and strengthen long-term housing solutions. Rounds 1-5 of HHAP prioritized moving individuals and families into permanent housing and strengthening long-term stability. Some of the allowable uses included the delivery of permanent housing through new construction, rapid rehousing, and supportive services such as case management and housing navigation. All rounds require systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations including families and homeless youth.

Beginning with Round 5, eligible applicants were required to apply for HHAP as part of a region, and funds were contingent upon approval of their RCHAP. Provisions to provide local accountability for how funding was used to reduce homelessness were also included in Round 5. The accountability measures permitted HCD to withhold funds if a grantee failed to make sufficient progress on their action plan.

With Round 6, beginning with Fiscal Year 2024-25, local jurisdictions were provided with one-time grant funds to create and implement RCHAPs to better implement the varied number of homelessness programs and resources. In addition, HCD took over administration of HHAP from Cal ICH, although both departments are under the umbrella of the California Business, Consumer Services and Housing (BCHS) Agency.

To be eligible for Round 6, applicants must be signatories to an HCD-approved RCHAP which can be satisfied by updating the Round 5 plan. The plan must incorporate a public input process that includes at least three public meetings of stakeholders, including youth with lived experience of homelessness.

All recipients of HHAP program allocation must comply with Housing First which is an evidence-based, client-centered approach that recognizes housing as necessary to make other voluntary life changes, such as seeking treatment or medical care. This approach is in contrast with the traditional model of rewarding “housing readiness.” The goal of Housing First is to provide housing to individuals and families quickly with as few obstacles as possible, along with voluntary support services according to their needs.

*This bill* would require HHAP applicants, beginning with Round 7, in addition to the data required under existing law, to provide an assessment of what would be required for the applicant to achieve and maintain functional zero unsheltered along with specified information regarding the applicant’s implementation of local homeless housing incentives.

*Cal ICH’s Role in the Regionally Coordinated Homelessness Action Plan.* Cal ICH was created in 2017 as the Homeless Coordinating and Financing Council through the enactment of SB 1380 (Mitchell), Chapter 847, Statutes of 2016, to oversee the implementation of Housing First policies. In 2021, AB 1220 (L. Rivas), Chapter 398, Statutes of 2021, renamed and restructured the council to be known as Cal ICH and to develop policies and identify resources, benefits, and services to prevent and work toward ending homelessness in California. Cal ICH is co-chaired by the Secretaries of the BCSH Agency and the California Health and Human Services Agency and comprises director-level representatives from 19 state departments and agencies, with two individuals representing community organizations appointed by the state Legislature.

Cal ICH, in partnership with HCD, provides an optional RCHAP and application template that outlines all required components, ranging from defining each jurisdiction's roles in outreach and housing development to equity plans and institutional exit strategies. This template ensures regions align with state priorities like Housing First compliance and racial equity goals.

Cal ICH supplies each region with the mandated System Performance Measures by CoC, which applicants must incorporate unchanged into their RCHAP. After submission, Cal ICH reviews plans for statutory compliance under existing law, approving or requesting amendments before HHAP funds are awarded in order to safeguard regional collaboration and strategic resource alignment to end homelessness statewide.

The Round 6 RCHAP is required to include many different components, some of which require: identification and analysis of the specific roles and responsibilities of each participating jurisdiction in the region regarding outreach and site coordination, siting and use of available land, the development of shelter, interim, and permanent housing options, and the coordination and connection to the delivery of services to individuals experiencing homelessness, or at risk of experiencing homelessness, including specifying roles and coordination plans in relation to Mental Health Services Act or Behavioral Health Services Act, within the region.

The RCHAP must also include a system performance and improvement plan, which includes a description of key actions the region intends to take to improve the system performance measures. In naming key actions in the system performance and improvement plan, a region is required to provide an explanation of how each participating jurisdiction is utilizing local, state, and federal funding programs as key actions to improve the system performance measures, including several programs administered by the California Department of Social Services (CDSS): CalWORKs, CalFresh, Supplemental Security Income/State Supplemental Program (and the Cash Assistance Program for Immigrants), in-home supportive services, adult protective services, child welfare, and child care and development.

The RCHAP requires a description of how the key actions will ensure racial and gender equity in service delivery, housing placements, and housing retention, and changes to procurement or other means of affirming racial and ethnic groups that are overrepresented among residents experiencing homelessness have equitable access to housing and services. The RCHAP is required to be reflected in a memorandum of understanding committing each signatory to participation in, and to comply with, the RCHAP. Upon receipt of a proposed RCHAP, HCD reviews it in coordination with Cal ICH, the California Department of Health Care Services, and CDSS. Qualifying jurisdictions participating in an RCHAP are required to post the proposed, approved, and amended plan on their website.

For HHAP Round 5, grantees were required to submit an updated RCHAP by January 31, 2026, and for HHAP Round 6, a mid-award update will be due by January 31, 2027.

*This bill* would require a demonstration of the HHAP applicant's efforts to include small cities in its RCHAP, which *this bill* defines as the cities in a jurisdiction that are not HHAP program applicants.

**Author's Statement:** According to the Author, "Today in California we have approximately 1 bed available for every 3-4 people who are experiencing homelessness. Research shows that the longer unhoused residents go without shelter, the less likely they'll be able to return to self-

sufficiency. As California invests in more permanent housing, and interim housing, more must be done to bring unsheltered people indoors and save lives. [This bill] will codify the goal of functional zero unsheltered in State statute and require municipalities to assess what would be required in order to end unsheltered homelessness in their municipalities. It is time that California puts an end to the humanitarian crisis on our streets. Rather than chipping away at the problem, one shelter at a time, the Functional Zero Unsheltered Act would ensure that regions are working toward strategic and practical frameworks that address the crisis in its entirety.”

**Equity Implications:** Temporary shelter, encampments, and safe-sleeping and parking sites can often carry high operating costs and are not designed as a permanent housing solution. Several stakeholders express concerns with prioritizing interim solutions at the expense of building or subsidizing permanent housing options. While interim strategies are part of addressing the needs of people living on the streets, it is important to balance this focus with continued investment in permanent housing. The need for permanent housing is particularly acute with the homeless youth population. According to the John Burton Advocates for Youth (JBAY) 2022 report entitled “*Building California’s Response to Youth Homelessness: Year Three of the Youth Set-Aside*,” that analyzed statewide data to determine how jurisdictions across California were utilizing HHAP funding to address youth homelessness, JBAY found that the HHAP youth set-aside has helped serve an estimated 11,052 youth across California, with 86% of survey respondents indicating that HHAP was effective at addressing youth homelessness in their jurisdictions.

**Policy Considerations:** This bill establishes a definition for functional zero unsheltered and fails to recognize or define functional zero, which is the ultimate goal of finding permanent housing. While moving unsheltered people off the street is the goal of HHAP, the larger goal is moving people into permanent housing rather than interim solutions.

*Should this bill move forward, the Author may wish to consider adding a definition for “functional zero” to specify the broader goal for reaching the milestone of solving homelessness and clarifying that achieving “functional zero unsheltered” is also a milestone toward that same goal.*

This bill directs applicants to submit additional data for an assessment of what would be required to achieve functional zero unsheltered beginning with Round 7 of HHAP.

*Should this bill move forward, the Author may wish to consider instead aligning the requirement for applicants to submit this supplemental information, with the required updates to the RCHAP.*

This bill requires applicants to provide an assessment of what would be required to achieve and maintain functional zero unsheltered. Including only an assessment of unsheltered homelessness in HHAP may redirect applicants’ focus toward the short-term goal of ending street homelessness, potentially at the expense of the longer-term objective of transitioning individuals from the streets into permanent housing.

*Should this bill move forward, the Author may wish to consider requiring applicants to include information in the assessment of what would be required to also achieve functional zero and the criteria for the required analysis.*

**Proposed Committee Amendments:** The Committee proposes amendments to address policy considerations stated above to do the following:

- Establish a definition of “functional zero” to mean a milestone indicating a community has measurably solved homelessness, when homelessness becomes rare and brief and people falling into homelessness are able to be rehoused quickly in housing without limits on length of stay or in permanent housing.
- Clarify the definition of “functional zero unsheltered” to mean a necessary milestone in the effort to achieve functional zero indicating that sufficient housing options of all types to accommodate a jurisdiction’s unsheltered, chronically homeless population based on its most recent homeless point-in-time count.
- Strike requirement for assessment to commence with Round 7 of HHAP, and instead require commencement of assessment to take place in alignment with required updates to the RCHAP.
- Require an assessment of what would be required for the applicant to achieve and maintain functional zero to include, at a minimum, an analysis of the number of housing units of all types needed to achieve functional zero in a jurisdiction.
- Technical and clarifying amendments.

**Double referral:** This bill was previously heard in the Assembly Committee on Housing and Community Development on July 2, 2025, and was approved on a 10-0 vote.

#### **RELATED AND PRIOR LEGISLATION:**

*AB 1220 (L. Rivas), Chapter 398, Statutes of 2021*, see comments above.

*SB 1380 (Mitchell), Chapter 847, Statutes of 2016*, see comments above.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

Bay Area Council (Co-Sponsor)  
DignityMoves (Co-Sponsor)  
Mayor Matt Mahan, City of San Jose (Co-Sponsor)  
21st Century Alliance  
Boss Cubez  
City of San Jose  
Five Keys  
Housing Action Coalition  
LifeArk

##### **Opposition**

None on file.

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