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April 11, 2023

The Honorable Wendy Carrillo, Chair  
Assembly Budget Subcommittee #4  
1021 O Street, Suite 8140  
Sacramento, CA 95814

The Honorable Steve Padilla, Chair  
Senate Budget Subcommittee #4  
1021 O Street, Suite 6640  
Sacramento, CA 95814

**Re: Homelessness Funding Accountability**

Dear Assembly Member Carrillo and Senator Padilla:

On behalf of the California State Association of Counties (CSAC), I am writing to share the county perspective and proposal on homelessness funding accountability. CSAC is grateful for the Governor’s January budget proposal to provide \$1 billion in 2023-24 for the Homeless, Housing Assistance, and Prevention (HHAP) program. We also appreciate that both the Governor and the Legislature are interested in ensuring that homelessness funding is used as effectively as possible, that there are enhanced accountability measures in place, and that real progress is achieved in reducing the number of Californians who are unhoused. Counties share those same goals. Toward that end, CSAC has developed the AT HOME plan, which proposes the development of a comprehensive homelessness system with clear lines of responsibility, accountability, and sustainable funding. We believe this is the way to achieve meaningful progress on homelessness and look forward to working together on this critical issue throughout the budget process.

Homelessness is an urgent humanitarian crisis with an estimated 172,000 unhoused individuals in California. While the state and local governments have made unprecedented investments in addressing homelessness the past several years, California does not have a comprehensive homelessness plan that assigns roles and responsibilities at every level of government – the state, counties and cities. Whereas practically every other state policy area has a system in place, the way we deal with homelessness is fragmented and lacks clear lines of responsibility, accountability and sustainability.

Developed through an extensive all-county effort, the AT HOME plan (Accountability, Transparency, Housing, Outreach, Mitigation & Economic Opportunity) outlines a comprehensive homelessness response system that includes clear responsibilities and accountability aligned to authority, resources, and flexibility for all levels of government. The six pillars of the AT HOME plan include a full slate of policy recommendations to help build more housing, prevent individuals from becoming homeless, and better serve those individuals who are currently experiencing homelessness.

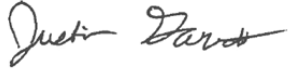
Of particular note for the Budget Committee discussions on homelessness funding structure and accountability is the Accountability pillar. The policy recommendations contained in this pillar form the core elements of a proposed comprehensive homelessness system. The Accountability pillar is the counties’ proposed alternative to the Administration’s current HHAP Program Funding trailer bill language. The key elements include:

- Consolidate HHAP grant and reporting countywide or within a multi-county region to support a countywide or regional plan.
  - The plan would be funded through one fiscal agent to provide clear accountability.
  - Funded entities must submit a local homelessness action plan that includes clear outcome goals on a range of metrics, including how the plan addresses equity.
  - In some instances, such as large counties with big cities, a countywide plan with multiple fiscal agents may be accommodated.
- Require counties and cities to agree to a defined set of roles and responsibilities related to homelessness as a condition of receiving HHAP funding.
  - County responsibilities include administering health and social safety net programs on behalf of the state, providing specialty mental health and substance use disorder services to low-income persons services, and siting and supporting shelters, siting permanent supportive housing, and encampment clean-up in unincorporated areas.
  - City responsibilities include siting and supporting shelters, siting permanent supportive housing, and encampment clean-up in incorporated areas.
  - Counties and cities would work together to locally agree to roles and responsibilities related to encampment outreach.
- Provide HHAP funding ongoing to support one countywide or regional plan to address homelessness.
  - Allocations through the fiscal agent would be determined by the agreed upon plan and commensurate with the level of roles and responsibilities that each entity has within the plan.
  - Maximize local flexibility for uses of this funding in order that funded entities have the ability to best utilize this funding at the local level to achieve the goals of the homelessness action plan.
  - Provide performance-based funding for countywide plans that meet metrics in reducing homelessness.
  - Establish a minimum county amount to ensure that smaller counties can sufficiently support staffing and programs.

Attached to this letter are fact sheets that cover the key elements of the Accountability pillar of the AT HOME plan. CSAC is also working to draft these elements into trailer bill language and will share with the Budget Committees once complete.

True progress on homelessness can only be achieved when it is clear who is responsible for what, and when sustainable funding and accountability provisions are aligned with those defined responsibilities. That is what can be accomplished with the AT HOME plan. The time to make a significant change to the state's approach to homelessness is now and we look forward to partnering with you on this urgent humanitarian issue. Thank you for your consideration.

Sincerely,



Justin Garrett  
Senior Legislative Advocate

cc: Honorable Members, Assembly Budget Subcommittee #4  
Honorable Members, Senate Budget and Fiscal Review Subcommittee #4  
The Honorable Phil Ting, Chair, Assembly Budget Committee  
The Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Committee  
Genevieve Morelos, Assembly Budget Committee  
Timothy Griffiths, Senate Budget and Fiscal Review Committee  
William Weber, Assembly Republican Fiscal Office  
Chantele Denny, Senate Republican Fiscal Office  
Katie Kolitsos, Office of the Assembly Speaker  
Misa Lennox, Office of the Senate President pro Tempore  
Ginni Bella Navarre, Legislative Analyst's Office  
Dhakshike Wickrema, California Interagency Council on Homelessness  
Teresa Calvert, Department of Finance  
James Hacker, Office of Governor Newsom

Homelessness is THE humanitarian crisis of our time. Despite significant investments by the state and local governments, California lacks a comprehensive plan to address it effectively and equitably. The current approach to helping those who are unhoused is fragmented and lacks clear lines of responsibility, accountability and sustainability. This must change.

**To make meaningful progress in helping those who are unhoused, the California State Association of Counties (CSAC) offers the 'AT HOME' Plan.** Counties are determined to work with our federal, state and local partners, and in partnership with the Governor and the Legislature, to implement this comprehensive plan to help those who are unhoused or at risk of becoming unhoused in our communities.

## **A** CCOUNTABILITY



### **Clear responsibilities aligned to authority, resources, and flexibility for all levels of government**

No one level of government is solely responsible for the homelessness crisis. We need to develop a comprehensive and coordinated plan that includes all levels of government. The undertow of massive economic and systemic inequities, as well as a tangled web of decisions made by well-intentioned policies and programs built over decades, continues to stymie efforts to support those who are unhoused or at risk of becoming unhoused.

- Clearly define city and county roles for siting and supporting shelters, siting permanent supportive housing, encampment outreach, and encampment clean-up.
- Commit ongoing funding – one-time funding is neither sustainable nor conducive to maintaining programs.
- Work with the state and cities from start to finish, require the submission of countywide or regional plans with established, clear goals and responsibilities.
- Allocate funding commensurate with the responsibilities each entity has within the plan and provide for maximum local flexibility to be used in accordance with established goals and outcomes.

## **T** RANSPARENCY



### **Integrate and expand data to improve program effectiveness**

Current data systems and data sharing do not support an integrated case management approach to helping those who are unhoused or at risk of becoming unhoused.

- Integrate and expand data systems to enhance transparency and allow for data-driven decision making.
- Enhance existing health, social services and state and local criminal justice data systems to provide more robust data on the immediate and long-term needs of individuals and better manage institutional discharges.

## **H** OUSING



### **Increase and maintain housing units across the spectrum**

There is a significant shortage of housing in California, especially affordable housing to support aged, disabled and very low-income residents.

- Increase resources needed to acquire, build and operate housing solutions across the full housing continuum, especially permanent supportive housing for individuals with complex needs.
- Increase flexibility and streamlining to generate more affordable housing projects.
- Create flexible housing subsidies and modify federal Housing Choice Vouchers to help more individuals utilize rental assistance to maintain housing.

## **O** UTREACH



### **Develop sustainable outreach systems and increase workforce to support these systems**

There is a significant shortage of Health and Human Services (HHS) workers to manage the programs and services that assist with addressing homelessness in California. In addition to identifying ways to support and build this workforce, new classifications that leverage lived experience and support housing navigation are also needed. To further strengthen and stabilize this system, federal funding should be obtained for many of these critical activities.

- Recruit, train and retain a robust HHS workforce and consider new certifications for workers in housing and other fields.
- Leverage additional federal funding for outreach and rapid response.
- Expand training and quality improvement incentives for law enforcement and probation responding to unhoused individuals.

## **M** ITIGATION



### **Strengthen safety net programs**

Counties run or administer most health and human services programs on behalf of the state. These programs serve as the safety net in California, and we must strengthen these programs to prevent individuals from becoming homeless.

- Provide adequate funding for county administration of safety net programs to ensure eligible individuals can be enrolled and receive the services they need timely.
- Increase the availability of and access to programs and services that provide screening, treatment, and recovery services for substance use disorder.
- Increase flexibility for county behavioral health funding to maximize federal Medi-Cal funds and expand the reach of county behavioral health investments for the unsheltered population.

## **E** CONOMIC OPPORTUNITY



### **Create employment and education pathways, as well as supports for basic needs**

Specialized education and career programs and services are needed to support the economic opportunity and long-term self-sufficiency of those who are formerly homeless or at risk of experiencing homelessness, including justice-involved individuals, veterans, older Californians, and former foster youth.

- Update local workforce development and investment boards to address employment for unhoused populations and work with California Community Colleges to develop programs that support the formerly unhoused.
- Increase accessible programs for justice-involved individuals to receive training and overcome employment barriers.
- Continue and expand efforts to assist more qualifying aged, blind, and disabled persons to obtain SSI/SSP benefits and expand subsidized housing placements for these populations.

3/10/23

FOR MORE INFORMATION, CONTACT:

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California State Association of Counties



## **A** CCOUNTABILITY



Clear responsibilities aligned to authority, resources, and flexibility for all levels of government

Counties and cities across California are leading and collaborating to provide solutions to homelessness. Many counties and cities have already forged countywide plans that bring together cities, tribal governments, continuums of care, housing authorities, managed care plans, and community based organizations. To effectively address homelessness statewide and increase accountability, partnerships and plans are necessary. This will involve cities and counties coming together with clearly defined roles, responsibilities, and actions needed to address homelessness.

The state can support local governments by aligning fiscal incentives in a way that supports defined responsibilities and collaboration. The Homeless Housing, Assistance and Prevention (HHAP) grants have been an important flexible funding source to support local efforts to address homelessness and recent distributions have encouraged the submission of joint plans for overlapping jurisdictions. More state actions that further local coordination are warranted.

In order to build a comprehensive and accountable system, not only must there be plans with clearly defined roles, responsibilities, and actions, but there also must be ongoing funding from the state. Local governments have made significant investments to address homelessness. However, counties and cities are not able to make long-term commitments to a comprehensive system of care with one-time state funding and will not be able to maintain the level of services temporarily supported by the federal COVID-19 related funding and HHAP funding. Sustained state funding, paired with local flexibility and technical assistance, is necessary to achieve continued and sustained progress on homelessness and to meet measurable goals aligned to investments and authority.

Current state and federal funding streams that support homelessness efforts are fraught with complexity and support a patchwork of programs administered by different governmental entities. This has often resulted in actions by different entities that are not aligned and accountable to measurable goals. The current funding structure has led to fractured decision making and administrative convolution that hinder progress in addressing homelessness.

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### **TO IMPROVE ACCOUNTABILITY, THE FOLLOWING ACTIONS ARE RECOMMENDED:**

- Consolidate HHAP grant and reporting countywide or within a multi-county region to support a countywide or regional plan with one fiscal agent. In some instances, such as large counties with big cities, a countywide plan with multiple fiscal agents may be accommodated. Allocations through the fiscal agent will be determined by the agreed upon plan and commensurate with the level of roles and responsibilities that each county and city has within the plan. Continuums of care would also be allocated funding through the fiscal agent consistent with assigned responsibilities under the countywide plan. It is critical that these plans are built and approved by counties and cities that are ultimately responsible and accountable to constituents for the implementation of the plan and have unique authority to site required infrastructure.

- Provide HHAP funding ongoing to support one countywide or regional plan to address homelessness.
- As a condition of receiving HHAP funding, counties and cities must agree to a defined set of roles and responsibilities related to homelessness that shall minimally include, unless otherwise determined:
  - Counties have the responsibility for health and social safety net programs on behalf of the state and administer these services in a manner that reaches individuals at risk of or experiencing homelessness.
  - Counties have the responsibility to provide specialty mental health and substance use disorder services to low-income persons and administer these services in a manner that reaches individuals at risk of or experiencing homelessness.
  - Cities shall be responsible for siting, funding, and supporting shelters for the unsheltered population within their jurisdiction. Counties shall be responsible for siting, funding, and supporting shelters for the unsheltered population within the unincorporated areas of the county. Shelter beds needed shall be determined by the concentration of homelessness in each incorporated and unincorporated jurisdiction.
  - Cities shall be responsible for siting permanent supportive housing within their jurisdiction. Counties shall be responsible for siting permanent supportive housing within the unincorporated areas of the county.
  - Cities shall be responsible for clean-up and sanitation of encampments within their jurisdiction. Counties shall be responsible for clean-up and sanitation of encampments in unincorporated areas of the county. These responsibilities are done with an understanding of state and federal responsibility for clean-up and sanitation of encampments on state-owned properties and federal lands, respectively.
  - Clearly define responsibilities for cities and counties related to encampment outreach.
- Funded entities must submit a local homelessness action plan that includes clear outcome goals on a range of metrics, including how the plan addresses equity. Funded entities can be held accountable to these goals only to the extent that the state provides sufficient funding for the reasonable costs of the interventions identified to achieve those goals.
- Maximize local flexibility for uses of this funding in order that funded entities have the ability to best utilize this funding at the local level to achieve the goals of the homelessness action plan. Improve flexibility and understanding of diverse local conditions in designing requirements for local plans.
- Provide enhanced technical assistance, especially to those jurisdictions with limited resources, staffing, and community partners.
- Provide performance-based funding for countywide plans that meet metrics in reducing homelessness. Funded entities should be rewarded for aggressive goals and achieving success.
- Establish a minimum county amount to ensure that smaller counties can sufficiently support staffing and programs. Relying on Point-in-Time (PIT) counts solely for allocations can negatively impact counties with severe winter weather. Minimum allocations are a consistent feature of many health and human services programs.
- Consider consolidating or redesigning other related programs and funding streams that support homelessness efforts, such as rental assistance and encampment resolution, to further simplify and streamline funding.

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