



June 12, 2023

Governor Gavin Newsom
1021 O Street, Suite 9000
Sacramento, CA 95814

Senate President Pro Tem Toni Atkins
1021 O Street, Suite 7730
Sacramento, CA 95814

Senator Nancy Skinner
Chair, Senate Committee on Budget & Fiscal Rev.
1020 N Street, Room 502
Sacramento, CA 95814

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

Senator Scott Wiener
Chair, Senate Committee on Housing
1021 O Street, Suite 3330
Sacramento, CA 95814

Speaker Anthony Rendon
1021 O Street, Suite 8330
Sacramento, CA 95814

Assemblymember Phil Ting
Chair, Assembly Committee on Budget
1021 O Street, Suite 8230
Sacramento, CA 95814

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

Assemblymember Buffy Wicks
Chair, Assembly Committee on Housing &
Community Development
1020 N Street, Room 126
Sacramento, CA 95814

Re: Homelessness Funding & Accountability Trailer Bill Language

Dear Governor Newsom, Pro Tem Atkins, Speaker Rendon, Budget Chairs Skinner, Padilla, Ting, and Carrillo, and Housing Committee Chairs Wiener and Wicks:

On behalf of the California State Association of Counties (CSAC) and the Bring California Home Coalition (BCH),¹ we urge you to adopt trailer bill language (TBL) that includes common elements of accountability and homelessness funding proposals our coalitions have advanced. BCH supports in concept CSAC's AT HOME Plan and CSAC supports in concept Assembly Bill 799 (L. Rivas/Friedman/Quirk-Silva/Ward/Wilson). These proposals would promote systematic improvements to local homeless responses, foster collaboration across regions and between local governments and the state, and improve outcomes for Californians experiencing homelessness.

¹The Bring CA Home Coalition is a diverse group of homelessness advocates, people with lived experience of homelessness, local government staff, staff from homeless Continuums of Care and other nonprofit staff, affordable housing and service providers, business leaders, and other community organizations dedicated to reversing the cycle of homelessness in California.

Promote Principles to Improve Homeless Responses and Accountability

While we are collectively calling for the passage of ongoing funding, we appreciate the challenges in this year's budget. We further urge you to adopt the following provisions in California's budget TBL to improve our state's homeless response:

Require Comprehensive Regional Collaboration

The State should require big cities, counties, and homeless Continuums of Care (CoCs) to collaborate on comprehensive, multi-year regional homelessness plans. The plans should include how the region will be accountable to people experiencing homelessness by coordinating in deploying local, state, and federal funds to solve homelessness and define jurisdictional roles and responsibilities to meet a series of region-wide performance metrics. The plan development process should involve cities in the region, service and housing providers, individuals with lived experience, and local agency and department leaders. This comprehensive plan would replace the current HHAP Annual Local Action Plan.

Establish Strong Accountability Measures

The planning requirement and defined roles would hold local governments accountable for collaborating, reduce administrative burdens, and provide a means for the state to oversee and track local progress on achieving meaningful goals. For regions that are falling short, accountability measures should include technical assistance from the state and a corrective action plan with specific benchmarks for systems improvements.

The state accountability would be defined by committing sufficient funding for local governments to implement the regional plans. An ongoing annual state investment at a sufficient funding level would both sustain the current one-time commitment, and enable sustainable outcomes, while providing the state with a critical lever to require ongoing accountability of local entities. Requirements and obligations for local entities would be aligned to the level of funding available to produce results and would be delayed or temporarily suspended if state funding is reduced below a specific level.

Strengthen HHAP Funding and Make It Ongoing

Ongoing funding for the HHAP program is a critical element of making meaningful progress in the state's response to homelessness. A commitment of ongoing funding will allow local entities to effectively implement proposed regional plans and be able to plan for and sustain long-term investments in programs and services. It also allows states to work with local grantees and to take specific actions in future grant cycles to improve homeless responses when jurisdictions fail to perform. Expectations must be set linked to a multi-year planning process, clear outcome goals, and state investments. Multi-year progress on homelessness can only be achieved with

multi-year funding commitments and longer-range planning. In addition to a commitment of ongoing funding, we recommend several reforms to the current HHAP funding:

- Establish a three-year grant application cycle to reduce administrative burden, redundant planning, and provide consistent, predictable funding levels.
- Move away from the “all or nothing” approach to bonus funding and instead adopt a funding structure that awards bonus funds to regions that meet at least half of the number of performance goals the region sets in their plan, awarding proportionately greater funding by the number of goals the region is able to meet.
- Establish a minimum amount of funding for each applicant in order to ensure that every local government has sufficient funding to support programs and services needed to implement a regional plan.
- Sustained reductions in homelessness are best achieved when investment pairs interim interventions with permanent housing interventions that end homelessness; without investment in permanent housing interventions, too many exits from shelter are back to the streets. The State should use HHAP to achieve better balance in homelessness interventions and comprehensive homelessness systems at the regional level through utilization of HHAP funds to invest in permanent housing interventions, including rental subsidies, housing navigation, operating subsidies, capital expenses, services in housing and homelessness prevention in coordination with HHAP investments in interim interventions (such as non-congregate shelter beds).
- Add an eligible use category to HHAP focused on growing and retaining the homeless services workforce in order to build workforce capacity and support frontline workers in our homeless response systems.

Enhance Focus on Racial Equity and Lived Experience

As part of the planning and implementation process, we recommend building on the existing progress toward racial equity HHAP advanced. We recommend the following next steps:

- Require an inclusive process as part of the regional homelessness planning, ensuring people with lived experience of homelessness participate in the policymaking, planning, and implementation process. Action planning should also include cross-sector collaboration and planning with other public services systems, like jails/prisons, child welfare, and emergency health and mental health systems that play a key role in advancing racial equity.
- Remove barriers to hiring people with lived experience of homelessness.
- Ensure local governments are decreasing racial inequities through their goal setting and through outcome data collection and reporting.
- Ensure state funding is encouraging access to culturally-specific organizations that are well-equipped to serve the communities most impacted by homelessness.

Streamline Funding Applications

While local governments are taking steps to improve accountability mechanisms, we urge the State to promote simplified applications for local funding:

- The comprehensive regional planning process we propose could facilitate simplification of the HHAP application process, further reducing administrative burdens on local governments and the state.
- TBL should also include a requirement for Cal ICH to utilize the existing Cal ICH-convened workgroup to create a unified funding application. This funding application would allow local governments eligible for state-funded programs to apply through a single application process with an aligned timeline, reducing administrative burden for both local government applicants and state agency/department staff.

Create Greater Transparency in Use of HHAP Funds

The State has made strides in fostering more transparency in how local governments are using state funds through the Department of Housing and Community Development's Homekey Dashboard and the Cal ICH Landscape Survey. However, under HHAP currently, reporting on how local jurisdictions will use eligible funds does not give legislators, the Administration, or the public clear data on how local governments are using HHAP funds. We recommend reorganizing eligible uses for HHAP to ensure greater transparency in how local systems are spending HHAP dollars, while maintaining all existing allowable uses. Renaming the list of eligible uses under HHAP would make these uses consistent with terminology common to homeless response systems and clarify specific eligible uses as prevention, interim housing, permanent housing, services, and systems strengthening. Applications and reporting will specify how local governments use HHAP funds.

Ensure Accountability TBL Does Not Harm Californians Experiencing Homelessness

We urge you to **reject** any proposals that could impose additional burdens on Californians experiencing homelessness. As such, we recommend the following:

1. **Ensure that no geographic area is made entirely ineligible for state funding**, which will punish people experiencing homelessness in that jurisdiction.
2. **Do not significantly narrow eligible uses of HHAP** to fill gaps in other state programs, rather than promoting HHAP funding to meet critical gaps in local systems, including the need for evidence-based, long-term housing options to help people exit homelessness permanently.
3. **Do not expect regions or HHAP recipients to adopt unrealistic goals.** Local goals should be based on data on what is achievable with state funding, along with housing market and economic conditions. Expectations must be aligned to the level of investment.

4. **Do not base funding or funding amounts on housing element compliance**, as a compliant/non-compliant housing element, though an important component of a healthy housing market, does not, alone, connote an effective or ineffective homeless response.

People who administer state programs, people with lived experience of homelessness, staff who have provided services and housing, local elected leaders, and advocates who have advanced evidence-based practices have brainstormed, discussed, vetted, and coalesced around these proposals over the last seven months. They are core elements of CSAC's AT HOME plan and AB 799 (L. Rivas), legislation the Assembly recently passed unanimously. Based on the deep expertise and careful consideration represented in these proposals, we urge you to adopt these recommendations in accountability TBL.

If you have questions, please feel free to reach out to us to discuss further.

Sincerely,



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California State Association of Counties



Mari Castaldi
Housing California & Co-Chair of Bring CA Home Coalition



Sharon Rapport
Corporation for Supportive Housing & Co-Chair of Bring CA Home Coalition



Alex Visotzky
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