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March 11, 2024

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

Re: Homeless Housing, Assistance and Prevention Program Funding

Dear Senator Padilla:

On behalf of the California State Association of Counties (CSAC), I am writing regarding our support for funding for the Homeless Housing, Assistance and Prevention (HHAP) Program. Counties remain on the frontlines of responding to the homelessness crisis, which is the top issue facing our communities. The HHAP program is working and transforming the lives of individuals throughout the state by helping them secure permanent housing and needed services. We are thankful for the Legislature’s leadership in making unprecedented investments for this program in recent years in partnership with Governor Newsom and urge you to continue that commitment even in this difficult budget situation.

Ongoing HHAP Funding

Last year, CSAC created the AT HOME Plan (Accountability, Transparency, Housing, Outreach, Mitigation, and Economic Opportunity) that outlines the development of a comprehensive homelessness response system. Working with the Administration and the Legislature, we successfully advocated for several elements of this plan to be incorporated for the HHAP program through enactment of AB 129 (Chapter 40, Statutes of 2023). As part of these reforms, all counties are currently developing regionally coordinated homelessness action plans, signing memorandums of understanding that define roles and responsibilities, and submitting joint applications with continuums of cares (CoCs) and big cities. Combined with the \$1 billion in funding for HHAP Round 5, these actions will increase accountability for HHAP funding, further local collaboration, and strengthen homelessness response efforts.

CSAC is actively supporting counties in these efforts and is encouraged by the work that will be outlined in these regional plans and accomplished with this funding. Unfortunately, the HHAP program is funded with one-time investments which prevents counties from being able to make long-term program commitments. Even more concerning, the Governor’s Budget does not include funding for a HHAP Round 6, though does acknowledge a commitment to discuss potential funding during this budget process. **CSAC respectfully requests ongoing funding for the HHAP program at a level of at least the current \$1 billion annual amount.** In addition, CSAC requests that the \$360 million in HHAP supplemental funding be distributed as outlined in AB 129 instead of being delayed until 2025-26 as proposed in the Governor’s Budget.

The HHAP program has been transformative to local efforts to address homelessness. Counties have been able to increase the availability of permanent supportive housing and provide the supportive services that

are needed to help individuals with high needs remain successfully housed. Programs that integrate rental assistance, supportive services, and landlord incentives have supported households in obtaining and maintaining housing. HHAP funds have been used to coordinate services, expand case management, and increase access to needed medical and behavioral health services which is making it possible to stabilize individuals in shelters and temporary housing before transitioning into permanent housing. These are just a few examples of the level of innovation, program success, and community coordination that would not have been possible without the dedicated and flexible HHAP funding.

Failure to provide ongoing funding or fund a Round 6 of HHAP at a consistent level would have detrimental impacts on local homelessness response efforts. Counties would have to cut housing, services, and supports for thousands of clients who are utilizing services and rental supports to stay housed. The acquisition of additional permanent housing would be delayed and grow more expensive. There would not be sufficient funding for operations and services for transitional and supportive housing, which would negatively impact many housing programs including Homekey projects. Finally, many types of vulnerable populations, such as youth, those with behavioral health conditions, older adults, and individuals with disabilities, who have come to rely on services provided with HHAP funding to remain housed would be the most at risk of becoming and remaining homeless with unpredictable or eliminated HHAP funding.

Allocation Criteria

The county-by-county allocation methodology for the HHAP program is solely based on the most recent Point in Time (PIT) count. While that is an important homelessness metric, basing a county's allocation on only that one data point creates challenges and can result in large year-to-year swings in the amount of funding allocated to a funded entity. In comparing the previous two PIT counts, seven CoCs had increases of more than 20% and five CoCs had decreases of more than 20%.

Counties that are achieving success in reducing the number of homeless individuals will see their HHAP allocations be reduced. Unfortunately, the number of individuals experiencing homelessness in those counties is then likely to increase again as homelessness services and housing supports are not able to be sustained at same level due to reduced funding. In addition, there are factors outside of the control of a county that can impact the PIT count such as severe weather.

CSAC recommends that the Legislature, Administration, and funded entities work together to identify a more comprehensive manner to determine individual applicant allocations of HHAP funding. Possible factors to consider include looking at multiple years of PIT counts, adding a buffer to allocation levels so that they can't increase or decrease more than a certain percentage in a given year, or ensuring funded entities that meet certain metrics are prevented from having their allocation reduced even if their PIT count goes down. Adjusting the method by which the county-by-county allocations are determined can create more fairness and reward successful programs.

Minimum Allocation

CSAC also recommends the inclusion of a minimum allocation for counties. This practice has long been common in human services programs funded by the state in recognition that it takes a certain level of funding to stand up a program, hire staff, and support rural counties that often cover large geographic areas. Some smaller counties in California get minimal HHAP allocations based on their PIT count, which are also sometimes impacted by severe winter weather. In the recently announced HHAP Round 5 allocations, seven counties received an allocation less than \$100,000, which will make regional planning

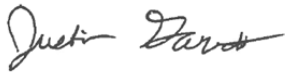
and program implementation more difficult. CSAC does not have a specific amount to recommend as the minimum funding level as that will depend on the overall amount of funding provided for the program, but does recommend establishing that all counties will receive a minimum amount of funding.

Conclusion

While the number of homeless individuals does continue to increase in California, it is the result of a confluence of factors outside of the HHAP program that are causing individuals to become newly homeless. Without the HHAP program, the number of Californians experiencing homelessness would be far greater than the number seen today. The collaboration requirements, flexible funding, and accountability measures of the HHAP program are leading to successful program investments that must continue to be prioritized. We should not pull back on our collective commitment to this program, but rather strengthen our resolve and allow for longer-term goals and program investments by dedicating ongoing funding. We look forward to partnering with the Legislature on this issue.

Should you have any questions about our position, please do not hesitate to contact me at (916) 698-5751 or jgarrett@counties.org. Thank you for your consideration.

Sincerely,



Justin Garrett
Senior Legislative Advocate

cc: Honorable Members, Senate Budget and Fiscal Review Subcommittee #4
The Honorable Scott Wiener, Chair, Senate Budget and Fiscal Review Committee
Tim Griffiths, Senate Budget and Fiscal Review Committee
Chantele Denny, Senate Republican Fiscal Office
Misa Lennox, Office of the Senate President pro Tempore
Ginni Bella Navarre, Legislative Analyst's Office
Tomiquia Moss, Secretary, Business, Consumer Services, and Housing Agency
Teresa Calvert, Department of Finance
Myles White, Office of Governor Newsom
James Hacker, Office of Governor Newsom
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