



February 3, 2026

The Honorable Gavin Newsom  
Governor of California  
1021 O Street, Ste. 9000  
Sacramento, CA 95814

Senate President Pro Tempore Monique  
Limón  
1021 O Street, Ste. 8518  
Sacramento, CA 95814

Senate Budget Chair John Laird  
1021 O Street, Ste. 8720  
Sacramento, CA 95814

Senate Budget Subcommittee 4 Chair  
Melissa Hurtado  
1021 O St. Ste. 6510  
Sacramento, CA 95814

Assembly Speaker Robert Rivas  
1021 O Street, Ste. 8330  
Sacramento, CA 95814

Assembly Budget Chair Jesse Gabriel  
1021 O Street, Ste. 8230  
Sacramento, CA 95814

Assembly Budget Subcommittee 5 Chair  
Sharon Quirk-Silva  
1021 O Street, Ste. 4210  
Sacramento, CA 95814

**RE: Homeless Housing, Assistance and Prevention Program (HHAP) Budget Request**

Dear Governor Newsom, Senate President pro Tempore Limón, Assembly Speaker Rivas, Senate Budget Chair Laird, Assembly Budget Chair Gabriel, Senate Sub 4 Chair Hurtado, and Assembly Sub 5 Chair Quirk-Silva:

Thank you for your continued leadership of our collective efforts to reduce homelessness in California. Our organizations are committed to ensuring that the Homeless Housing, Assistance and Prevention (HHAP) program can effectively combat the homelessness crisis across California.

While we are eager to partner with the state on implementing the \$500 million promised in last year's budget for Round 7 of the HHAP program, **ongoing funding of at least \$1 billion annually remains critical** to sustain the historic progress being made to house and serve more Californians than ever before. California's increases in homelessness

have flattened, with over 90,000 people placed into permanent housing thanks to HHAP since 2023. Recently reported initial point-in-time count data demonstrates that our state has achieved a 9% reduction in unsheltered homelessness. It is clear that the state must maintain a full commitment to the HHAP program that is essential to making continued progress possible.

Besides the threat of a loss of state funding, California's homeless response efforts are further in jeopardy, with over 41,000 people at extreme risk of falling back into homelessness due to funding cuts, policy changes, and uncertainty at the federal level. Now is not the time to relent on our state's commitments to reducing homelessness.

The current \$500 million reduction in planned funding for HHAP Round 7 would force cuts to shelter capacity, eliminate rental assistance, and halt the development of supportive housing at a time when the need is rising and reduced federal resources are creating threats to our state's safety net system. **We request the most recent round of HHAP to be restored to prior funding levels of \$1 billion and annual investments for HHAP of \$1 billion that more closely match the scale of the crisis** so that, even amid economic uncertainty, we can help residents find stable housing and prevent more people from falling into homelessness.

SB 131 (Chapter 24, Statutes of 2025) includes intent language that specifies the parameters for Round 7 funding. The following conditions are priorities that will be required of applicants for Round 7:

- Obligation of at least 50% of their Round 6 award;
- Having a compliant housing element;
- Enacting a local encampment policy consistent with administration guidance;
- Receiving a designation of "pro-housing;"
- Leveraging local resources to scale state investments;
- Demonstrating progress on key housing performance metrics; and
- Demonstrating urgency and measurable results in housing and homelessness prevention.

Subsequent legislation is needed to enact these requirements and as that language is negotiated, we recommend adhering to the following principles:

- 1) **Avoid a funding gap and ensure that Round 7 funding is distributed early in the 2026-27 budget year.** Many HHAP-funded programs require ongoing investments, yet the one-time nature of each HHAP round makes it difficult for grantees to plan, since future funding is uncertain and often delayed. For example, although HHAP Round 6 was signed into law on July 2, 2024, grantees in only three counties just received the first 50% of funding, and the grantees in the remaining 55 counties are still waiting for any funding as it approaches 20 months from when this funding was appropriated. This forces local jurisdictions to take on financial risk and threatens the continuity of HHAP-funded services. To help avoid this situation again, we advocated for language that was included in budget trailer bill SB 158 (Chapter 650, Statutes of 2025), which would start Round 7 disbursements by September 2026. Working towards meeting this goal would

provide greater predictability and help prevent service reductions while communities wait for funds.

- 2) **Promote accountability without adding onerous application requirements.** We propose that, instead of requiring recipients to submit new, lengthy, and complicated applications for Round 7 funding, the Department of Housing and Community Development (HCD) allow applicants to revise and update their Round 6 applications, which will have been submitted less than a year prior. This process would maintain accountability while reducing the prolonged application process, which currently takes six months. We also propose that the department review and improve administrative efficiency, align performance metrics with existing federal standards, and provide technical assistance to support consistent tracking and performance evaluation across jurisdictions. This advances accountability while helping funds get out the door more quickly.
- 3) **Allow applicants the opportunity to secure Round 7 funds while substantially complying with the intent of SB 131.** Some of the new requirements require lengthy actions and approval processes by the state. For example, many applicants would not be able to feasibly obtain pro-housing designation before the September goal disbursement date. Because this requirement is new and applicants could not have anticipated having to comply with a designation largely focused on housing production, bogging down grantees in complexity and delaying applications will fail to improve HHAP outcomes and may worsen outcomes for Californians experiencing homelessness. An approach that enacts these new conditions in a manner that allows a grantee to demonstrate progress on key metrics will still achieve accountability while avoiding further delays in funding.
- 4) **Keep funding in the region.** Those experiencing homelessness should not lose access to vital programs and services because a jurisdiction is unable to comply with a Round 7 condition. We recommend mandating that HCD work with applicants who fall short of a requirement so that issues are quickly resolved before funding is withheld. Compliance should never be a reason for withholding or redirecting funding away from individuals who need support in a region.

We share the goals of ensuring accountability, particularly accountability to Californians experiencing homelessness on our streets and in our shelters. However, with uncertainty around future federal funding and a projected multiyear state budget deficit, communities across California are bracing for increased housing instability and homelessness. We look forward to working with you to achieve accountability, while also ensuring our communities are sustaining rental assistance, services, and operating grants for shelter and permanent housing that HHAP has successfully advanced.

Thank you for your continued leadership and collaboration.

Respectfully,



Graham Knaus  
Chief Executive Officer  
California State Association of Counties



Carolyn M. Coleman  
Executive Director and CEO  
League of California Cities



Patricia Lock Dawson  
Mayor, City of Riverside  
Chair, California Big City Mayors Coalition



Sharon Rapport  
CSH, on behalf of  
Bring California Home