
SENATE COMMITTEE ON HOUSING
Senator Nancy Skinner, Chair
2023 - 2024 Regular

Bill No: AB 2903 **Hearing Date:** 6/18/2024
Author: Hoover
Version: 4/15/2024
Urgency: No **Fiscal:** Yes
Consultant: Max Ladow

SUBJECT: Homelessness

DIGEST: This bill requires, beginning June 1, 2025, a state agency or department that administers state homelessness programs to annually report cost and outcome data to the California Interagency Council on Homelessness (Cal-ICH) and for Cal-ICH to develop procedures for this data reporting and make compiled data available to the public.

ANALYSIS:

Existing law:

- 1) Establishes the Cal-ICH, chaired by the Secretary of the Business, Consumer Services, and Housing (BCSH) Agency and the Secretary of the California Health and Human Services (HHS) Agency, made up of various state departments and agencies.
- 2) Includes the following among the goals for the Cal-ICH:
 - a) To create partnerships among state and federal agencies and departments, local government agencies, and nonprofit entities working to end homelessness, homeless services providers, and the private sector, for the purpose of arriving at specific strategies to end homelessness;
 - b) To broker agreements between state agencies and departments and between state agencies and departments and local jurisdictions to align and coordinate resources, reduce administrative burdens of accessing existing resources, and foster common applications for services, operating, and capital funding;
 - c) To serve as a statewide facilitator, coordinator, and policy development resource on ending homelessness in California;
 - d) To report to the Governor, federal Cabinet members, and the Legislature on homelessness and work to reduce homelessness; and

- e) To ensure accountability and results in meeting the strategies and goals of the council.
- 3) Requires an eligible city, county, or Continuum of Care (CoC) to submit a local homelessness action plan that includes all of the following to access Homeless Housing Assistance and Prevention Program (HHAPP) funds:
- a) A local landscape analysis that assesses the current number of people experiencing homelessness and existing programs and funding which address homelessness within the jurisdiction, utilizing any relevant and available data from the Homeless Data Integration System (HDIS), the United States Department of Housing and Urban Development's (HUD's) homeless point-in-time count, CoC housing inventory count, longitudinal systems analysis, and Stella tools, as well as any recently conducted local needs assessments;
 - b) Identification of the number of individuals and families served, including demographic information and intervention types provided, and demographic subpopulations that are underserved relative to their proportion of individuals experiencing homelessness in the jurisdiction;
 - c) Identification of all funds, including state, federal and local funds, currently being used, and budgeted to be used, to provide housing and homelessness-related services to persons experiencing homelessness or at imminent risk of homelessness, how this funding serves subpopulations, and what intervention types are funded through these resources;
 - d) An outline of proposed uses of funds requested and an explanation of how the proposed use of funds will complement existing local, state, and federal funds and equitably close the gaps identified;
 - e) Evidence of connection with the local homeless Coordinated Entry System;
 - f) An agreement to participate in a statewide Homeless Data Information System (HDIS), and to enter individuals served by this funding into the local Homeless Management Information System (HMIS), in accordance with local protocols;
 - g) A demonstration of how the jurisdiction has coordinated, and will continue to coordinate, with other jurisdictions, including the specific role of each applicant in relation to other applicants in the region;
 - h) A demonstration of the applicant's partnership with, or plans to use funding to increase partnership with, local health, behavioral health, social services, and justice entities and with people with lived experiences of homelessness;
- 4) Requires HHAPP applicants to establish goals that prevent and reduce homelessness from July 1, 2021, through June 30, 2024, informed by the findings from the local landscape analysis and the jurisdiction's base system

performance measure from the 2020 calendar year data in the HDIS. The outcome goals shall set definitive metrics, based on HUD's system performance measures, for achieving the following:

- a) Reducing the number of persons experiencing homelessness;
- b) Reducing the number of persons who become homeless for the first time;
- c) Increasing the number of people exiting homelessness into permanent housing;
- d) Reducing the length of time people remain homeless;
- e) Reducing the number of persons who return to homelessness after exiting homelessness to permanent housing; and
- f) Increasing successful placements from street outreach.

This bill:

- 1) Requires, beginning June 1, 2025, a state agency or department that administers one or more state homelessness programs to annually report cost and outcome data to Cal-ICH for each state-funded homelessness program the agency or department administers.
- 2) Requires Cal-ICH to develop uniform data collection and reporting procedures for the data collection and reporting.
- 3) Requires Cal-ICH to compile the data reported pursuant to paragraph 1) and beginning September 1, 2025, to annually make the compiled data available to the public.

COMMENTS:

- 1) *Author's Statement.* "Last year I requested an audit of our homelessness spending to better target state dollars to the most effective homeless programs. The results of the homelessness audit are a critical first step toward improving our investments, protecting taxpayers, restoring our public spaces, and getting the homeless population the help they need. Now that we have identified the ineffectiveness and limitations of our current approach, it is now necessary for the Legislature to take action and improve accountability of the dollars we are spending. This bill adopts the State Auditor's recommendation on homelessness by proposing that state agencies report the costs and outcomes of state-funded homelessness programs."
- 2) *Homelessness in California.* Based on the 2023 point in time count, California has the largest homeless population in the nation with 181,399 people

experiencing homelessness on any given night, of which 113,660 are unsheltered, meaning they are living outdoors and not in temporary shelters. Nearly half of all unsheltered people in the country were in California during the 2023 count. The homelessness crisis is driven in large part by the lack of affordable rental housing for lower income people. In the current market, 2.2 million extremely low-income and very low-income renter households are competing for 664,000 affordable rental units. Of the six million renter households in the state, 1.7 million are paying more than 50% of their income toward rent. The National Low Income Housing Coalition estimates that the state needs an additional 1.5 million housing units affordable to very-low income Californians.

- 3) *Cal-ICH*. Cal-ICH, formerly known as the Homeless Coordinating and Financing Council (HCFC), was created to oversee the implementation of “Housing First” policies, guidelines, and regulations to reduce the prevalence and duration of homelessness in California. Housing First is an evidence-based model that focuses on the idea that homeless individuals should be provided shelter and stability before underlying issues can be successfully addressed. Housing First utilizes a tenant screening process that promotes accepting applicants regardless of their sobriety, use of substances or participation in services. As the state’s homelessness crisis has worsened, the role of Cal-ICH has significantly increased, as it has been charged with administering two significant programs dedicated to addressing homelessness, the Homeless Emergency Aid Program (HEAP) and HHAPP.
- 4) *State Auditor’s Reports*. The Joint Legislative Audit Committee requested an audit of the state’s homelessness funding, including an evaluation of the efforts undertaken by the State and two cities to monitor the cost-effectiveness of such spending. The auditor released both audits on April 9, 2024. In the audit of state programs, the auditor found that the “state lacks current information on the ongoing costs and outcomes of its homelessness programs, because Cal-ICH has not consistently tracked and evaluated the State’s efforts to prevent and end homelessness. Although Cal-ICH reported in 2023 financial information covering fiscal years 2018–19 through 2020–21 related to all state-funded homelessness programs, it has not continued to track and report this data since that time, despite the significant amount of additional funding the State awarded to these efforts in the past two years. ... Another significant gap in the State’s ability to assess programs’ effectiveness is that it does not have a consistent method for gathering information on the costs and outcomes for individual programs.”¹

¹ <https://www.auditor.ca.gov/reports/2023-102.1/index.html#chapter1>

- 5) *Cal-ICH Updated Coordination.* Last year, the Legislature moved administration of HHAPP and the Encampment Resolution program from Cal-ICH to the Department of Housing and community Development (HCD) in an effort to return Cal-ICH to its core mission of coordinating the state's overall response to homelessness. This bill could assist Cal-ICH in coordinating that overall strategy by requiring all relevant homelessness programs to send Cal-ICH annual cost and outcome data to determine how the state should invest resources and coordinate efforts in the response to homelessness. The current timing of these reporting changes, requiring that all programs are reported to Cal-ICH by June 1st and that Cal-ICH compiles and publicly publishes this information by September 1st, provides limited time for the secure transfer and processing of this data.
- 6) *Double referral.* This bill has also been referred to the Human Services Committee.

RELATED LEGISLATION:

AB 2338 (Jones-Sawyer, 2024) — requires the Governor to appoint a Statewide Homelessness Coordinator within the Governor's Office to serve as the lead person for ending homelessness in the state. *This bill is being voted on in this same hearing.*

AB 977 (Gabriel, Chapter 397, Statutes of 2021) — required HCFC, now Cal-ICH, through a statewide data system, HDIS, to coordinate all state homelessness programs entering data as specified into their local HMIS starting by July 1, 2021 and this data then being provided to specified state agencies or departments.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, June 12, 2024.)

SUPPORT:

None received.

OPPOSITION:

None received.

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