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

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**Bill No:** AB 2593 **Hearing Date:** 7/2/2024  
**Author:** McCarty  
**Version:** 6/6/2024  
**Urgency:** No **Fiscal:** No  
**Consultant:** Alison Hughes

**SUBJECT:** Joint Exercise of Powers Act: Sacramento County Partnership on Homelessness

**DIGEST:** This bill authorizes a local agency within the County of Sacramento to enter into a joint powers agreement (agreement) with any other local agency to operate a joint powers authority (JPA) to assist the homeless, as specified.

**ANALYSIS:**

*Existing law:*

- 1) Requires an annual report from the Department of Housing and Community Development (HCD) to the Legislature to include all of the following information:
  - a) The number of units assisted by those programs;
  - b) The number of individuals and households served and their income levels;
  - c) The distribution of units among various areas of the state;
  - d) The amount of other public and private funds leveraged by the assistance provided by those programs;
  - e) Information detailing the assistance provided to various groups of persons by programs that are targeted to assist those groups;
  - f) The information required to be reported pursuant to specified law; and
  - g) An evaluation, in collaboration with the Department of Veterans Affairs (DVA), of any program established by DVA, including information relating to the effectiveness of assisted projects in helping veterans occupying any supportive housing or transitional housing development that was issued funds pursuant to that article.
- 2) Established Homeless Housing, Assistance, and Prevention Program (HHAPP) to provide jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate

homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Directs HCD to administer HHAPP.

- 3) Requires, beginning with the third round of HHAPP, applicants to provide the following information for all rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework, as established by CA-ICH:
  - a) Data on the applicant's progress towards meeting their outcome goals, which must be submitted annually on December 31 of each year through the duration of the program;
  - b) If the applicant has not made significant progress toward their outcome goals, the applicant must submit a description of barriers and possible solutions to those barriers; and
  - c) Applicants that do not demonstrate significant progress towards meeting outcome goals must accept technical assistance from the council and may also be required to limit the allowable uses of these program funds, as determined by the council.
- 4) Requires CA-ICH to post a statewide report that aggregates each applicant's outcome goals into a single statewide set of metrics.
- 5) Require each recipient that receives a round three program allocation to submit to CA-ICH a final report, as well as detailed uses of all program funds, no later than October 1, 2026.
- 6) Requires each recipient that receives a round four program allocation to submit to CA-ICH a final report, as well as detailed uses of all program funds, no later than October 1, 2027.

**This bill:**

- 1) Authorizes a local agency within the County of Sacramento to enter into a joint powers agreement (agreement) with any other local agency to operate a joint powers authority (JPA) for the following purposes:
  - a) Assist the homeless population.
  - b) Coordinate a homelessness response.
  - c) Develop and manage a comprehensive strategic plan to address homelessness.

- 2) Requires the JPA, if formed, to be called the Sacramento County Partnership on Homelessness.
- 3) Requires the agreement to incorporate the composition and membership requirements of the board of directors, as specified, and applicable components of the Homelessness Services Partnership Agreement adopted by the City of Sacramento and County of Sacramento.
- 4) Establishes parameters for the membership for the Board of Directors.
- 5) Requires the Sacramento County Partnership on Homelessness, within five years of the date in which it is established, to adopt a strategic plan to address homelessness within the County of Sacramento and submit the plan to the appropriate policy and fiscal committees of the Legislature.

**COMMENTS:**

- 1) *Author's statement.* "Homelessness is an issue that we must tackle together. I appreciate the innovative city-county efforts to tackle homelessness, but we need a more robust local collaboration if we are going to solve this problem. This partnership will help us make a tangible difference in the lives of homeless individuals, and restore the well-being and vitality of Sacramento County communities."
- 2) *JPA's generally.* The Joint Exercise of Powers Act allows two or more public agencies to use their powers in common if they sign a joint powers agreement. Each public agency must independently possess the authority to perform the activity that is to be performed jointly pursuant to a joint powers agreement. Sometimes an agreement creates a new, separate government called a joint powers authority (JPA). Public agencies can also use the JPA law and the related Marks-Roos Local Bond Pooling Act to form bond pools to finance public works, working capital, insurance needs, and other public benefit projects. JPAs can issue one large Marks-Roos Act bond and then loan the capital to local agencies, thus creating a "bond pool." Bond pooling saves money on interest rates and finance charges. It also lets smaller local agencies enter the bond market. Because JPAs are entities separate from its members, and so are not bound by the same limitations on debt issuance, voters need not approve bonds JPAs issue.

State law generally limits membership in JPAs to public agencies: federal, state, and local governments. However, legislation has authorized some types of private entities to enter into joint powers agreements with public agencies for

specified purposes. For example, the Legislature enacted SB 1403 (Maienschein, 2015), which, until January 1, 2024, allows one or more private, nonprofit 501(c)(3) corporations that provide services to homeless persons for the prevention of homelessness to form a JPA, or enter into a joint powers agreement with one or more public agencies. The JPA must be a public entity, but cannot have the power to incur debt. JPAs formed under this provision are to encourage and facilitate information sharing between public agencies and nonprofit corporations to identify the most costly and frequent users of publicly funded emergency services, provide frequent user coordinated care housing services, and prevent homelessness. The participating public agencies must determine the composition of the board of directors, but the representation of nonprofit 501(c)(3) corporations cannot exceed 50% of the board membership. Without this legislation, private organizations could not have joined a JPA, since the Joint Exercise of Powers Act requires members to be public agencies.

- 3) *Homelessness in Sacramento*. In its December 2023 Annual Homelessness Assessment Report to Congress, the U.S. Department of Housing and Urban Development (HUD) estimated 181,399 Californians are experiencing homelessness, and California accounts for 28% of all people experiencing homelessness in the United States. HUD reported in 2023 that Sacramento County's point-in-time (PIT) count was 9,281 homeless persons.

On December 6th, 2022, the City of Sacramento and Sacramento County entered into the Homeless Services Partnership Agreement, an agreement to provide services and programs to the unhoused population within the City of Sacramento. According to the partnership's six-month update, City and County leadership finalized collaboration protocols in March, and several interagency workgroups have been meeting regularly.

Sacramento Steps Forward (SSF) is the lead agency for the Sacramento Continuum of Care, and a non-profit organization formed to facilitate the provision of homeless services and housing in the Sacramento Region. According to a December 2023 report from SSF:

“The Partnership Agreement between the City of Sacramento and the County of Sacramento has been highlighted by the City and County, as well as other partners, as a step in the right direction to better align the efforts of these jurisdictions to more effectively meet the needs of people experiencing homelessness. The City/County Partnership Agreement formalizes City and County coordination and outlines the role of each partner to invest in and coordinate strategies and programs to prevent and end homelessness. It was noted by many that the scope of the Partnership Agreement is limited (the

primary focus is behavioral health and emergency services) and would be a more effective coordination tool if the scope were expanded to include all roles and responsibilities of the City and County in preventing and addressing homelessness.”

- 4) *Regional coordination requirements under HHAPP.* The HHAP Program was created to provide jurisdictions with one-time grant funds expand or develop local capacity to address immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Program funds can be used for services for those experiencing homelessness or at risk of homelessness, such as rapid rehousing, operating subsidies, street outreach, services coordination, delivery of permanent and innovative housing solutions, and homelessness prevention. Large cities (with a population of 300,000 or more), counties, Continuums of Care (CoCs), and tribes can apply for HHAP funding. HHAP has received \$3.95 billion in funding from 2019-24. Round four of the HHAP Program included robust accountability provisions, including the requirement that applicants develop a Local Action Plan and performance goals. Round five requires regions to submit a joint applicant and plan for addressing homelessness.

Local Action Plans required HHAP recipients to set outcome goals that prevent and reduce homelessness over a three-year period, informed by the findings from a local landscape analysis and the jurisdiction's base system performance measure from 2020 calendar year data in the Homeless Data Integration System. The outcome goals included definite metrics, based on the United States Department of Housing and Urban Development's system performance measures.

- 5) *Sacramento JPA authorization.* This bill allows the County of Sacramento and any cities in the county with populations of at least 50,000 to enter into an agreement to create and operate a JPA to assist the homeless population, coordinate homelessness response, and develop and manage a comprehensive strategic plan to address homelessness. If these local governments create a JPA using this authority, it shall assist the homeless population; coordinate a homelessness response; and develop and manage a comprehensive strategic plan to address homelessness; the agreement to incorporate the composition and membership requirements of the board of directors, as specified, and applicable components of the Homelessness Services Partnership Agreement adopted by the City of Sacramento and County of Sacramento.

6) *Opposition.* This bill is opposed by the County of Sacramento. “On March 12, 2024, the Sacramento County Board of Supervisors and City Council adopted the Regionally Coordinated Homeless Housing, Assistance and Prevention Plan (HHAP), which gives strategies for heightened regional collaboration. Since the Plan adoption, entities hired a consultant who finalized a report on shared governance models. The report was presented to the County and all cities with a request to participate in an exploratory committee to determine the best governance approach for the region, which we have done. This exploratory committee is interested in heightened collaboration but does not agree that a JPA is the best model for our region at this time. We will continue to work toward a more effective model of collaboration that is cost-effective and fair so that all partners have a voice in strategic development.”

7) *Incoming!* This bill was heard in the Local Government Committee on July 5, 2024 and passed on a 7-0 vote.

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, June 26, 2024.)

**SUPPORT:**

Councilmember Caity Maple, City of Sacramento

**OPPOSITION:**

County of Sacramento

**-- END --**