DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

651 Bannon Street Sacramento, CA 95811 (916) 263-2911 / FAX (916) 263-7453 www.hcd.ca.gov



DATE: June 10, 2025

MEMORANDUM FOR: All Potential Tribal Applicants

FROM: Megan Kirkeby, Deputy Director

Division of Housing Policy Development

SUBJECT: DRAFT Tribal Homeless Housing, Assistance

and Prevention Program (Tribal HHAP)

Round 4 Notice of Funding Availability (NOFA)

and Standard Agreement Boilerplate

The California Department of Housing and Community Development (HCD) is pleased to share the **DRAFT** Notice of Funding Availability (NOFA) and Standard Agreement boilerplate for Round 4 of the Tribal Homeless Housing, Assistance and Prevention (Tribal HHAP) Program for feedback. Approximately **\$28.5 million** in flexible grant funding is anticipated to be available for California Federally Recognized Tribes to support efforts to prevent and end homelessness in their communities.

Funds may be used for a wide range of eligible activities, including interim and permanent housing, supportive services, outreach, and administrative costs.

Following the program's transition from the California Interagency Council on Homelessness to HCD in July 2024, HCD is committed to continued collaboration with Tribes and Tribal stakeholders to shape this program in ways that reflect self-determination, cultural values, and community priorities.

We invite your review and feedback on the **DRAFT** NOFA and Standard Agreement boilerplate. Written comments may be submitted to <u>TribalHHAP@hcd.ca.gov</u> by **July 10**, **2025**. In addition, we welcome requests for individual consultations or presentations for Tribal Councils or housing staff.

To request a consultation, offer feedback, or ask questions about the Tribal HHAP program, please contact the Tribal HHAP team at TribalHHAP@hcd.ca.gov.

Thank you for your continued partnership and leadership in addressing homelessness through solutions defined by Tribal communities.

Tribal Homeless Housing, Assistance and Prevention Program, Round 4

Notice of Funding Availability (NOFA)



Gavin Newsom, Governor State of California

Tomiquia Moss, Secretary
Business, Consumer Services and Housing Agency

Gustavo Velasquez, Director California Department of Housing and Community Development

651 Bannon Street, Suite 400 Sacramento, CA 95811

Website: https://www.hcd.ca.gov

Tribal HHAP Website: https://www.hcd.ca.gov/grants-and-funding/programs-active/tribal-homeless-housing-assistance-and-prevention-grants-program
Tribal HHAP Email: Amy.Lopez@hcd.ca.gov or TribalHHAP@hcd.ca.gov

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Section 1. Program Overview

Section 1.1 Notice of Funding Availability (NOFA)

The California Department of Housing and Community Development (HCD) is pleased to announce the availability of approximately \$28.5 million in Tribal Homeless Housing, Assistance and Prevention (Tribal HHAP) grant funding. These funds are available for California Federally Recognized Tribes and are designed to be flexible to meet the unique needs of each community in their goals to prevent and end homelessness.

Since its creation in 2022, the Tribal HHAP Program has been developed in collaboration with California Federally Recognized Tribes and other key stakeholders. Pursuant to Health and Safety Code (HSC) section 50157, and in accordance with subdivision (e) of Section 50231, administrative responsibility for the program transitioned from the California Interagency Council on Homelessness (Cal ICH) to HCD in July 2024. As part of this transition HCD will continue to reflect the state's commitment to strengthening support for Tribal communities and ensuring the program remains responsive to Tribal priorities and governance structures.

Tribal HHAP is a dedicated Tribal set-aside within the broader Homeless Housing, Assistance and Prevention (HHAP) Program developed specifically for—and in partnership with—California Federally Recognized Tribes. Through direct consultation and feedback, HCD aims to continue improving access, alignment, and culturally responsive implementation of these funds.

Section 1.2 Applicable Laws

This document provides HCD's guidelines for administering the Tribal HHAP Program and explains the program and procedures. Tribal HHAP, including the terms, conditions, forms, procedures, and other mechanisms that HCD deems necessary to administer Tribal HHAP, are not subject to the rulemaking provisions of the Administrative Procedure Act. (HSC section 50232(h).) The guidelines in this document are considered to have "the dignity of statutes." (*Ramirez v. Yosemite Water Company, Inc.* (1999) 20 Cal. 4th 785, 799.)

Tribal HHAP was originally created by <u>Assembly Bill (AB) No. 140</u> (2021-2022 Reg. Sess.), which was signed into law by Governor Gavin Newsom on July 19, 2021. Tribal HHAP Round 4 is authorized by Section 13 of <u>AB No.166</u> (Chapter 48 Statues of 2024; Health and Safety Code (HSC) Section 50239, et seq.) which was signed into law by Governor Newsom on July 2, 2024. State funding for housing and homelessness is subject to the Welfare & Institutions Code, Section 8255, which includes programs and services be provided with Housing First philosophy and principles.

The application materials submitted in response to this NOFA are public records available for public review pursuant to the California Public Records Act (CPRA). After final awards have been issued, HCD may be legally required to disclose materials provided by the Applicant to any person making a request under the CPRA.

See Section 5: Appendix for references to key statutes that support Tribal HHAP

implementation and guidance.

Section 1.3 Timeline

January – March 2025	Initial Outreach	HCD sought feedback from Tribal partners through government-to-government consultations and public listening sessions to inform revisions to the NOFA and application. These sessions offered Tribes the opportunity to share concerns, submit comments, and help ensure the program reflects community-defined priorities.	
June 10, 2025	Release of DRAFT NOFA	Release of the Draft Tribal HHAP Round 4 Notice of Funding Availability (NOFA) and Standard Agreement boilerplate, followed by a 30-day public comment period. Comments may be submitted to TribalHHAP@hcd.ca.gov .	
July 10, 2025	Comment Deadline	Deadline to submit comments on the Draft Tribal HHAP Round 4 NOFA and Standard Agreement boilerplate.	
July/August 2025	Release of FINAL NOFA	Final Tribal HHAP Round 4 NOFA, application, and Standard Agreement boilerplate released following review of submitted comments.	
October 30, 2025	Application Deadline	Final applications due to HCD by 5:00 PM PT. Applicants will receive an acknowledgment of receipt.	
November 2025	Application Follow Up	HCD may contact Applicants with questions necessary to finalize review and approval of submitted applications.	
December 2025	Allocation & Conditional Awards	If more than \$28.5 million in applications is received, an allocation formula based on need will be applied. See Section 3.3 for details on the allocation formula and process. After determining allocations available to each Applicant, HCD will inform Tribes of their allocations through a conditional award.	
January – March 2026	Budget Revision & Disbursement	Following conditional awards, Tribes will provide a revised budget based on the allocation for HCD approval. Upon approval of the revised budget and execution of the Standard Agreements, payments will be disbursed. The goal for the payment of the grant award is February 2026; however, the actual date may vary, depending on the speed in which the contract and paperwork are completed by the Applicant.	
June 30, 2029	Fund Expenditure Deadline	Deadline to expend Tribal HHAP Round 4 funding.	

Section 1.4 Definitions

<u>"Grantee"</u> is a Federally Recognized Tribe that receives grant funds from HCD for the purposes of the program. Grantee is synonymous with "Recipient."

[&]quot;Applicant" refers to a California Federally Recognized Tribe that is applying for Tribal HHAP.

"Homeless" means

- 1. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.
 - (i) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - (ii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.
- 2. An individual or family who will imminently lose their primary nighttime residence, provided that:
 - (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance.
 - (ii) No subsequent residence has been identified; and
 - (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.
- 3. Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
 - (i) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance.
 - (ii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance: and
 - (iii) Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or
- 4. Any individual or family who:

- (i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence.
- (ii) Has no other residence; and
- (iii) Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

<u>"Homeless youth"</u> means an unaccompanied youth between 12 and 24 years of age who is experiencing homelessness, as defined in Section 725(2) of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)). "Homeless youth" includes unaccompanied youth who are pregnant or parenting.

Section 2: Program Requirements

Section 2.1 Eligible Applicant

California Federally Recognized Tribes are the only Applicants able to receive funding from Tribal HHAP. However, Tribes may partner with other organizations or may designate another individual or entity to complete the application on their behalf, provided that the proper tribal authority signs and certifies the application.

Tribes may contract or subcontract with Tribal Designated Housing Entities (TDHE) and others to develop and/or implement their programs.

Section 2.2 Eligible Uses

Tribal communities hold the expertise to design and implement culturally responsive solutions that meet the needs of their communities. The Tribal HHAP Program supports tribal self-determination to flexibly use a variety of interventions to meet each Tribe's unique needs.

HSC section 50243(e) provides broad categories where Tribal communities can choose a variety of interventions in the following categories:

- 1. permanent housing solutions,
- 2. homelessness prevention,
- 3. interim housing solutions, and
- 4. nonhousing solutions, including nonhousing services

Tribes may use Tribal HHAP Round 4 funds to contract with entities, including Tribal Designated Housing Entities (TDHEs), for the development and administration of their Tribal HHAP Programs.

Additionally, up to 7 percent of allocation amounts can go towards administrative costs, with an additional 1 percent available for Homeless Management Information Systems as applicable. Please note that data entry into a Homeless Management Information System

(HMIS) is not required for Tribal HHAP. If a Tribe who is applying for Tribal HHAP has an active data sharing agreement for their nation, it is requested they submit the agreement with their Tribal HHAP Application.

Examples of these categories are provided below. **Applicants are encouraged to apply** a culturally appropriate lens to each category, ensuring that programs and services are customized to meet the needs of their population.

HHAP Statute	Eligible Use Category	Explanation and Examples of Eligible Uses of Tribal HHAP funds
Category #1: Permanent Housing Solutions that can prevent or serve those experiencing unsheltered homelessness, including, but not limited to, persons experiencing homelessness coming from encampment sites; per HSC 50243(e)(1)	Rapid Rehousing/ Rental Subsidies, per HSC 50243(e)(1)(A)- (C),(E) Operating Subsidies – Permanent Housing, per HSC 50243(e)(1)(D)	 Examples include, but are not limited to: Rental subsidies, including rental subsidies in rapid rehousing programs or longer-term rental subsidy programs. CARE Act petitioning activities and support for placement and related services for individuals (respondents) in the CARE Act process. Landlord incentives, such as security deposits, holding fees, funding for needed repairs, and landlord relationship management costs. Move-in expenses.
	Operating Subsidies – Permanent Housing, per HSC 50243(e)(1)(D)	 Operating Subsidies in new and existing affordable or supportive housing units serving people experiencing or at risk of experiencing homelessness, and new or existing residential care facilities. Operating Subsidies may include capitalized operating reserves (funds held in reserve to (cover?) multiple years of operating support, or cover large, unexpected operating expenses).
	Permanent Housing Services and Services Coordination, per HSC 50243(e)(1)(E) and (G)	Supportive services for people in permanent housing, so long as the services are trauma-informed and practice harm reduction, to include, but not limited to: • Intensive case management services, • Assertive community treatment services, • Critical time intervention services, • Other tenancy support services, • Evidence-based employment services, • Traditional peer mentorship or Elder-guided support, • Culturally rooted practices to support housing stability, • Coordinating or providing mental health, traditional

HHAP Statute	Eligible Use Category	Explanation and Examples of Eligible Uses of Tribal HHAP funds
	Capital for Permanent Housing, per HSC 50243(e)(1)(F)	 medicine/traditional healers, Red Road to Wellbriety, substance use, and primary care treatment, or Other evidence-based supportive services to increase housing retention. Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in permanent supportive housing. Capital for permanent housing that serves people experiencing homelessness, including conversion of underutilized buildings or existing interim or transitional housing into permanent housing.
Category #2: Homelessness Prevention Activities that can prevent or serve those experiencing unsheltered homelessness, including, but not limited to, persons experiencing homelessness coming from encampment sites.	Prevention and Diversion, per HSC 50243(e)(2)(A and B)	 In addition to the Rapid Rehousing and Rental Assistance being eligible as described above, Problem solving and diversion support programs that prevent people at risk of or recently experiencing homelessness from entering unsheltered or sheltered homelessness. Culturally appropriate talking circles and/or mentorship. Ceremonial practices to promote intergenerational healing and stability. Tribal family preservation strategies or processes that help prevent displacement. Cultural activities.
Category #3: Interim Housing Solutions that can prevent or	Navigation Centers, per HSC 50243(e)(3)(A)	Navigation Centers or other emergency shelters that are low barrier as defined in Sections 65660 and 65662 of the Government Code.
serve those experiencing unsheltered homelessness,	Motel/Hotel Vouchers, per HSC 50243(e)(3)(D)	Vouchers for motels and hotels used as interim shelter for people experiencing homelessness, until they can be connected to permanent housing resources.

HHAP Statute	Eligible Use Category	Explanation and Examples of Eligible Uses of Tribal HHAP funds
including, but not limited to, persons experiencing homelessness coming from encampment sites.	Operating Expenses – Interim Housing, per HSC 50243(e)(3)(B) and (C)	 Operating expenses in existing congregate shelter sites. Operating expenses in new or existing non-congregate shelter sites and transitional housing for youth. Operating expenses may include capitalized operating reserves (funds held in reserve upfront to cover multiple years of operations, or large, unexpected operating expenses).
	Interim Housing Services and Services Coordination, per HSC 50243(e)(3)(E) and (H)	 Housing navigation, Cultural welcoming protocols and Indigenous-designed service environments, Hosting of traditional gatherings or healing events at Interim Housing sites, Coordinating or providing mental health, traditional medicine/traditional healers, Red Road to Wellbriety, substance use, and primary care treatment, public benefits advocacy, and Other supportive services to promote stability and referral into permanent housing. Youth-focused services in transitional housing
	Capital for New Interim Housing, per HSC 50243(e)(3)(F), (G), and (J)	Capital funding to build new noncongregate shelter sites and transitional housing sites for homeless youth, including for construction, rehabilitation, and capital improvements to convert existing congregate sites into noncongregate sites. Capital funding for clinically enhanced congregate or noncongregate shelter sites.

HHAP Statute	Eligible Use Category	Explanation and Examples of Eligible Uses of Tribal HHAP funds
	Improvements to Existing Interim Housing, per HSC 50243(e)(3)(I)	Renovation of existing Interim Housing to improve the quality of life for people experiencing homelessness who are residing in the Interim Housing. Examples include, but are not limited to: • Maintenance of an Interim Housing facility. • Minor/major rehabilitation or renovation of an Interim Housing facility. • Minor/major conversion, additions, updates, and/or enhancements that lower barriers and/or increase privacy.
Category #4: Non-housing Solutions that can prevent or serve those experiencing unsheltered homelessness, including, but not limited to, persons experiencing homelessness coming from encampment sites.	Services and Services Coordination for People Experiencing Unsheltered Homelessness, per HSC 50243(e)(4)	Non-housing services for people experiencing unsheltered homelessness, so long as the services are trauma-informed and practice harm reduction, to include, but are not limited to: Street outreach Evidence-based engagement services Intensive case management services Intensive community treatment Housing navigation Harm reduction services Coordination with street-based health care services Hygiene services for people living in encampments and unsheltered individuals Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability Costs that support people with lived experience of homelessness to participate in and/or provide input for regional and system planning (e.g., lived experience advisory boards, youth advisory boards, etc.) Traditional wellness gatherings or seasonal ceremonies that support those living unsheltered Community-based cultural navigators or Elders who provide guidance to unsheltered individuals
Administrative Costs	Administrative Costs (up to 7 percent of allocation amount), per HSC 50243(g)	Eligible uses include overhead costs related to the administration of Tribal HHAP programs. Administrative costs do not include staff or other costs directly related to implementing activities funded by the program allocation.

Section 2.3 Program Deadlines

The expenditure deadline for Tribal HHAP Round 4 funds is June 30, 2029.

Section 2.4 Homeless Youth Set Aside Requirements

At least 10 percent of funds must be used to meet the needs of homeless youth or youth at risk of homelessness within the interventions proposed or in youth set aside activities.

Homeless youth is defined as an unaccompanied youth between 12 and 24 years of age who is experiencing homelessness, as defined in Section 725(2) of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)). Dollars spent toward the homeless youth populations within the youth target have the same eligible uses as the broader program. Proposed funding activities should be categorized as part of the youth target when costs support services and housing interventions for homeless youth populations.

Section 2.5 Documentation & Reporting Requirements

Grantees must be able to demonstrate that Tribal HHAP Program funds were expended for eligible uses to benefit members of the target population. To maintain accountability, while reducing workload on Grantees, Tribal HHAP will move from quarterly to annual reporting requirements. These reports are essential to demonstrate the effective use of Tribal HHAP 4 funding while upholding our commitment to safe and secure housing.

Annual program reports include:

- Fiscal data of program funds obligated and expended in each eligible use category
- Narrative information about project progress
- Aggregate data regarding the individuals served and their outcomes in each eligible use category

Reporting Schedule			
Report Type Report Period Through		Report Template Given to Grantees	Report Due
Annual	December 31	March 1	April 1

Draft annual report templates are available for viewing in advance of Tribal HHAP Application submission. HCD may request additional information separately from the annual reports as needed.

Please note that data entry into a Homeless Management Information System (HMIS) is not required for Tribal HHAP. If a Tribe who is applying for Tribal HHAP has an active data sharing agreement for their nation, it is requested they submit the agreement with their Tribal HHAP Application.

Section 3. Application Process, Allocation Methodology, and Appeals

Section 3.1 Application Process and Submission

The Tribal HHAP Round 4 application will be available on HCD's website: https://www.hcd.ca.gov/grants-and-funding/programs-active/tribal-homeless-housing-assistance-and-prevention-grants-program

Applications will be submitted through an online system (Cognito).

Each California Federally Recognized Tribe may submit one application and is able to request funding for a variety of eligible activities, including activities to be delivered by subcontractors.

The application must include:

- The amount of grant funds requested.
- An explanation of the Tribe's local need, including an estimate of the number of people who need homelessness services and existing available resources.
- A description of the services the Tribe plans to utilize funds for. (<u>HSC section 50241(a)(3)(B).</u>)
- A Tribal Resolution approving the application and specifying the grant amount requested.
- Government Agency Taxpayer ID Form, as applicable.
- Data entry into a Homeless Management Information System (HMIS) is not required for Tribal HHAP. If a Tribe who is applying for Tribal HHAP has an active data sharing agreement for their nation, it is requested they submit the agreement with their Tribal HHAP Application.

Tribes may also include funding in their application to conduct a community assessment that identifies areas for improvement and informs targeted interventions. The costs associated with this assessment can be included in the application budget. For more details on eligible uses, please review the eligible uses section.

HCD's Tribal HHAP team will provide technical assistance and application support upon request. To be connected with assistance, please email: TribalHHAP@hcd.ca.gov.

The deadline to submit final applications is 5:00 PM PDT on October 30, 2025.

Section 3.2 Application Approval, Allocation Methodology, and Award Process

Application Approval

After applications are submitted, HCD may follow up with Applicants to verify eligibility, clarify proposed activities and budgets, and ensure all required materials have been provided.

Allocation Methodology

If total requested funding does not exceed the amount available under this NOFA, all

eligible Applicants will receive their full requested amount, subject to application approval. In accordance with Health and Safety Code Section 50241(a)(3)(A), if the total amount requested by all eligible and approved Applicants exceeds the amount available under this NOFA, HCD will apply a proportional allocation methodology based on each Applicant's demonstrated need relative to all Tribes that apply.

This approach, consistent with prior rounds of Tribal HHAP, is designed to ensure equitable distribution of funds and is based on three key components:

- 1. <u>Base Award:</u> All Applicants will receive a base allocation. This base amount will be dependent upon the total number of Applicants, the total amount of funds requested, and may vary for Applicants who have received less than a specified funding threshold in the previous three (3) years.
- 2. Proportional Award Based on Need: Following the distribution of base awards, additional funds will be allocated based on community need. Community need will be determined as a factor of the Applicant's reported eligible community size and estimated number of people to be served. This allocation will utilize a rate determined by the remaining funds and the total eligible community population across all Applicants.
- Maximum Award Cap: To address discrepancies in community sizes, a cap will be imposed on the maximum award amount an Applicant can receive. Any funds exceeding this cap will be redistributed among Applicants who have not yet reached the cap or received their full requested amount.

Award Notification and Budget Adjustment

Once applications are approved and award amounts determined, HCD will issue **conditional award letters** notifying each Tribe of its funding amount. If a Tribe receives less than its requested amount due to the proportional allocation formula, it must submit a **revised budget** reflecting the awarded amount, subject to HCD approval.

Standard Agreement Execution

Following conditional awards, or full awards, as applicable, HCD will then prepare and issue the Standard Agreement for signature and execution. Please note that the Tribal HHAP's Standard Agreement does not require a waiver of sovereign immunity as a condition of receiving grant funds.

Disbursement of Funds

Awarded funds will be disbursed in a one-time payment directly to the California Federally Recognized Tribe upon the completion of the following:

- Signed and executed STD 213 Standard Agreement
- If an allocation formula was applied and the Tribe was not awarded the original

requested amount from their revised budget, they must have submitted a revised budget within the awarded amount, and it must be approved by HCD.

Section 3.3 Appeals

HCD's decision to approve or deny an application, as well as the determination of the funding amount, shall be final and not subject to appeal. (<u>HSC section 50239(e)</u>).

Section 4. Miscellaneous Information

Section 4.1 Culturally Responsive Technical Assistance

The Tribal HHAP team will provide technical assistance and application support to assist California Federally Recognized Tribes with their applications and award implementation. Additionally, HCD makes available culturally responsive technical assistance to support Tribal communities in their goals to address and prevent homelessness with respect for self-determination.

To be connected with technical assistance, please contact: TribalHHAP@hcd.ca.gov.

Section 4.2 Further Information

Additional information and updates such as the application, a list of upcoming workshops, and resources can be found on the Tribal Program website. You may contact Amy Lopez, Tribal HHAP Program Manager, at Amy.Lopez@hcd.ca.gov or TribalHHAP@hcd.ca.gov.

For additional information, or to request a consultation or a presentation on Tribal HHAP for your community or Tribal Council, please contact us at TribalHHAP@hcd.ca.gov.

Section 4.3 Requests for Program Flexibility

In accordance with Health and Safety Code Section 50406(p), and as expanded under AB 1878, HCD recognizes the unique legal, cultural, and governance structures of California Federally Recognized Tribes. As such, HCD may modify or waive standard program requirements to prevent administrative or legal barriers to Tribal participation in Tribal HHAP Round 4. Tribal Applicants may request flexibility in areas including, but not limited to, instrument recordation, security and title insurance requirements, affordability thresholds, target population definitions, service area delineations, housing element compliance, income limits, and timeline requirements. **Additionally, consistent with Section 50469, HCD does not require a waiver of tribal sovereign immunity as a condition of receiving funds under this NOFA.** These flexibilities are designed to ensure that Tribal Applicants can fully access and implement the Tribal HHAP Program in a manner consistent with their laws, customs, and self-determined priorities. Requests for program flexibility must be submitted in writing, with sufficient explanation of the Tribal legal or structural circumstances necessitating the request.

Section 5: Appendix - Relevant Statutes

HCD Administrative Authority for HHAP, including Tribal HHAP

HSC Section 50157.

In accordance with subdivision (e) of Section 50231, responsibility for administering the following programs shall transfer from the Interagency Council on Homelessness to the Department of Housing and Community Development on or before July 1, 2024:

- (a) The Homeless Housing, Assistance, and Prevention program (Chapter 6 (commencing with Section 50216) and Chapter 6.5 (commencing with Section 50230)).
- (b) The Encampment Resolution Funding program authorized by Chapter 7 (commencing with Section 50250).
- (c) The Family Homelessness Challenge Grants and Technical Assistance Program authorized by Chapter 8 (commencing with Section 50255).

(Added by Stats. 2024, Ch. 48, Sec. 3. (AB 166) Effective July 2, 2024.)

Homeless Housing, Assistance, and Prevention Program Reporting

HSC Section 50220.6.

- (a) Notwithstanding any law, a recipient that enters into an agreement as set forth in paragraph (10) of subdivision (a) of Section 50219, paragraph (7) of subdivision (b) of Section 50225.5, clause (iii) of subparagraph (B) of paragraph (3) of subdivision (b) of Section 50220.7, and subparagraph (C) of paragraph (3) of subdivision (b) of Section 50220.8 shall provide data elements, including, but not limited to, health information, in a manner consistent with federal law, to the statewide Homeless Management Information System when the system becomes available.
- (b) (1) The council shall specify the form and substance of the required data elements.
 - (2) The council may, as required by operational necessity, amend or modify data elements, disclosure formats, or disclosure frequency.
- (c) Any health information provided to, or maintained within, the statewide Homeless Management Information System shall not be subject to public inspection or disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).
- (d) For purposes of this paragraph, "health information" means "protected health information," as defined in Part 160.103 of Title 45 of the Code of Federal Regulations, and "medical information," as defined in subdivision (j) of Section 56.05 of the Civil Code.

(Amended by Stats. 2022, Ch. 28, Sec. 98. (SB 1380) Effective January 1, 2023.)

Round 6 of the Homeless Housing, Assistance, and Prevention program

HSC Section 50239.

(a) Round 6 of the Homeless Housing, Assistance, and Prevention program is hereby established.

- (b) Upon appropriation by the Legislature, the department shall make available the following amounts in accordance with this article:
 - (1) One billion dollars (\$1,000,000,000) in the 2024–25 fiscal year for implementation of the program.
 - (2) Further amounts as the Legislature may appropriate to the program in the future.
- (c) (1) The department shall administer all aspects of the program in accordance with this article.
 - (2) No more than 5 percent of the total allocation for each round of funding shall be used to cover the department's costs of administration of this article, including state operations expenditures and activities in support of statewide capacity building for recipients, including providing ongoing training and technical assistance, measuring data and performance, conducting research, and evaluation of funding service delivery demonstration projects.
 - (A) The department may utilize any unused funds from moneys set aside for program administration to augment existing allocation categories using existing allocation methodologies.
 - (B) Any unused funds from moneys set aside for program administration remaining by the expenditure deadline for the given appropriation shall be rolled over into the next round of appropriated funding, or will revert back to the General Fund.
- (d) Contracts entered into or amended shall be exempt from all of the following:
 - (1) Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code.
 - (2) The personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code.
 - (3) Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code and the State Contracting Manual.
 - (4) Notwithstanding Section 11546 of the Government Code, from review or approval of any division of the Department of Technology, upon approval from the Department of Finance.
 - (5) From the review or approval of any division of the Department of General Services.
- (e) The department shall approve or deny an application, and the determination of the amount of funding to be provided shall be final.
- (f) If the applicant identifies substantive errors or omissions in their required data submissions, the department may, at its sole discretion, allow jurisdictions to modify or resubmit their data and, if applicable, may allow applicants to modify their data accordingly.
- (g) The department shall maintain and make available to the public on its internet website records of all of the following:
 - (1) The number of applications for program funding received by the department.
 - (2) The number of applications for program funding denied by the department.
 - (3) The name of each recipient of program funds.
 - (4) Each applicant receiving funds pursuant to this article who shall provide a list of all awards to subrecipients.

(5) Annual reports filed by recipients pursuant to Sections 50221, 50222, and 50223. (h) In administering this article, the department shall not be subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(Added by Stats. 2024, Ch. 48, Sec. 13. (AB 166) Effective July 2, 2024.)

Allocation of HHAP Round 6 Funds, Including Tribal Set-Aside

HSC section 50241.

- (a) Upon appropriation by the Legislature, the funds administered pursuant to this article, less the set aside funds provided for the department's costs of administration in subdivision (c) of Section 50239, shall be made available in the 2024–2025 fiscal year for implementing round 6 of the program, as follows:
 - (1) Not more than 80 percent of the funding available pursuant to this section shall be available to cities, counties, or continuums of care, for basic program allocations, as follows:
 - (A) Thirty percent of the funds described in this paragraph shall be available to continuums of care. The department shall calculate these allocations to a continuum of care based on each continuum of care's proportionate share of the state's total homeless population, based on the homeless point-in-time count. The department shall not award more than 40 percent of the allocation made pursuant to this subparagraph to a continuum of care.
 - (B) Forty-two percent of the funds described in this paragraph shall be available to each city, or a city that is also a county, that has a population of 300,000 or more, as of January 1, 2022, according to data published on the Department of Finance's internet website. The department shall calculate the allocation to a city based on the city's proportionate share of the total homeless population of the region served by the continuum of care within which the city is located, based on the homeless point-in-time count. The department shall not award more than 45 percent of the program allocation made pursuant to this subparagraph to a city. If more than one recipient within the continuum of care meets the requirements of this subparagraph, the proportionate share of funds shall be equally allocated to those jurisdictions.
 - (C) Twenty-eight percent of the funds described in this paragraph shall be available to each county. The department shall calculate the allocation to a county based on the county's proportionate share of the total homeless population of the region served by the continuum of care within which the county is located, based on the homeless point-in-time count. The department shall not award more than 40 percent of the program allocation made pursuant to this subparagraph to a county.
 - (2) Not more than 17 percent of the funding available pursuant to this section shall be available to eligible cities, counties, and tribal applicants for the purpose of providing supplemental support for the Homekey program pursuant to Section 50244.
 - (3) Not more than 3 percent of the funding available pursuant to this section shall be available to tribal applicants. Notwithstanding any other provision of this article, the funds described in this paragraph shall be allocated as follows:

- (A) A tribe may apply for program funds and the department shall make allocations to tribes on the basis of need. Tribes that apply for program funds pursuant to subparagraph (B) shall be allocated funds up to their requested amount. If the total requested funds exceeds the amount available collectively among all tribal applicants, the department shall determine an allocation methodology based on each tribal applicant's proportionate share of need relative to all tribes that submit an application for funding.
- (B) A tribal applicant seeking funds pursuant to this section shall submit an application to the department, in the form and manner prescribed by the department, no later than June 30, 2025, with all of the following information:
 - (i) The amount of grant funds the tribe is requesting.
 - (ii) An explanation of the tribe's local need, including an estimation of the number of people who need homelessness services and the current resources that exist.
 - (iii) A description of the services on which the tribe plans to spend its grant funds. These activities shall be allowable pursuant to Section 50243.
- (C) Any funds available to tribal applicants pursuant to this paragraph that are unallocated as of July 1, 2027, shall be reallocated for distribution to tribal applicants as part of future program rounds.
- (D) A tribal applicant is encouraged to partner with a local continuum of care or coordinated entry system.
- (b) An applicant applying for round 6 program funds pursuant to this section shall comply with the requirements set forth in Section 50220.6.
- (c) A program recipient shall not use funding from the program allocated under this section to supplant existing local funds for homelessness services under penalty of disallowance or reduction, or both, of future program funds, as determined by the department.
- (d) (1) No more than 5 percent of the appropriated funds shall be used to cover state administrative costs pursuant to subdivision (c) of Section 50239.
 - (2) The department may expend administrative funds until December 31, 2029, to complete grant closeout activities.
- (e) A program recipient shall use at least 10 percent of the funds allocated under this section for services for homeless youth populations. This subdivision does not prohibit program recipients from spending a greater percentage on services for homeless youth populations.
- (f) Moneys allocated pursuant to this section shall be expended in compliance with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.

(Added by Stats. 2024, Ch. 48, Sec. 13. (AB 166) Effective July 2, 2024.)

HHAP Round 6 Application Procedures and Performance Requirements

HSC section 50242.

- (a) The department shall make an application for round 6 base program allocations available no later than January 31, 2025.
- (b) Applications shall be due no later than 180 days from the date applications are made available pursuant to subdivision (a).
- (c) (1) Applicants from each region shall submit a single, regional application from their shared region.
 - (2) Each applicant shall have the discretion to receive their base program allocation directly or may designate a corresponding eligible applicant in their region to serve as the fiscal agent responsible for the administration of funding made available pursuant to this article.
- (d) Within 30 days of the application deadline pursuant to subdivision (b), the department shall either approve the application or return it to the applicant with written, detailed comments and request one or more of the following specific amendments to the application:
 - (1) Greater detail on any aspect of the application so the department can ensure fidelity with the applicant's proposed use of funds and impact on system performance measures.
 - (2) Modifications or provision of additional information on the applicant's proposed funding plan to ensure compliance with this section, and ensure alignment with evidence-based solutions to reduce homelessness.
 - (3) Any other modifications or provision of information that would allow the department to better monitor and evaluate the region's compliance with its regionally coordinated homelessness action plan and whether it is meeting objective performance standards.
- (e) (1) An applicant whose application has been returned pursuant to this section shall respond to the department's requested amendments and submit a revised application within 30 days. Where the revised application differs from the department's requests, the applicant shall include an explanation of the differences and the rationale for departing from requested amendments.
 - (2) The department shall have 30 days within which to approve the application if, as amended, it addressed the department's concerns or to provide the applicant with additional guidance and a deadline for further amending to fully address the department's concerns.
- (f) (1) To receive a round 6 base program allocation, an applicant shall submit an application to the department. A complete application submitted pursuant to this section shall include, in the form and manner prescribed by the department, all of the following:
 - (A) A regionally coordinated homelessness action plan that the department finds compliant with Section 50240. This may be an updated version of the action plan submitted in prior rounds if that action plan was found compliant by the department.
 - (B) A detailed proposal for how the applicant intends to use the funds for which it is applying that complies with Section 50243.
 - (C) All other components that the department shall deem necessary to the proper administration of the program.

- (2) After approval of an application pursuant to this section, the department shall disburse 50 percent of an eligible city's, county's, or continuum of care's total allocation pursuant to subdivision (a) of Section 50241 upon a determination that the eligible city, county, or continuum of care has done all of the following:
 - (A) Contractually obligated all of its funding from rounds 1 through 3 of the program.
 - (B) Expended all of its funding from round 1 of the program.
 - (C) Expended at least 50 percent of its funding and contractually obligated 75 percent of its funding from the first disbursement of round 4 of the program.
- (g) The department and recipients shall post final round 6 program applications to their respective internet websites within 30 days of disbursal to the applicant.
- (h) (1) On or before January 31, 2027, a grantee shall submit to the department an update on their round 6 regionally coordinated homelessness action plan activities, which shall include updates on the obligation and expenditure activities, progress on their system performance and improvement plan, key actions and corresponding updates on system performance measures carried out pursuant Section 50240, as applicable.
 - (2) The department shall, within 30 days, review the update and report its findings to the participating grantee pursuant to this subdivision.
 - (3) If the department finds that the grantee has adhered to the requirements of this section, or concludes that the grantee has addressed any shortcomings in the update, the department shall approve the update.
 - (4) (A) If the department finds that a grantee failed to adhere to the requirements of this section, the department may require the participating jurisdictions in the region to make specific changes needed to meet the requirements of this section. If the department concludes that the grantee made insufficient progress on key actions or failed to improve on at least one-half of the region's system performance measures, the department may require the participating jurisdictions to provide a corrective action plan to the update to the regionally coordinated action plan to address these findings. Participating jurisdictions shall accomplish these changes or submit a corrective action plan, as applicable, within 30 days of being notified by the department.
 - (B) The department shall have 30 days to review the changes or corrective action plan, as applicable, to determine if they addressed the department's concerns and approve the update, or to provide the grantee with additional guidance and a deadline for making changes or further amending the corrective action plan to address the department's concerns.
 - (5) (A) The department may withhold the remaining 50 percent of funds from a grantee until the department has approved the update to the grantee's round 6 regionally coordinated homelessness action plan.
 - (B) The department shall provide technical assistance and support of jurisdictions efforts to comply with the requirements of this paragraph.
 - (6) Regions are encouraged to update their memorandums of understanding to reflect their updated regionally coordinated homelessness action plan that have been

approved pursuant to this subdivision. The department may ask for confirmation that a region has updated its memorandum of understanding to reflect a part of a corrective action required under this section.

- (7) In making determinations pursuant to this subdivision the department may provide exceptions to the requirement if the recipient demonstrates hardship by a disaster for which a state of emergency is proclaimed by the Governor pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code. (8) After the department has deemed a regionally coordinated action plan compliant with this section, the grantee shall submit any proposed revisions to the department for review and approval. No later than 30 days from submission, the department shall review the proposed revisions and either approve the revisions or recommend changes.
- (9) All proposed, approved, and amended regionally coordinated homelessness action plans shall be posted on the internet website of all participating jurisdictions in the regionally coordinated homelessness action plan, and the department shall post all action plans received from participating jurisdictions.
- (10) In determining whether the regionally coordinated homelessness action plan substantially complies with this article, the department may consult with any local government, public agency, group, or person, and shall receive and consider any written comments from any public agency, group, or person, regarding the action by a participating jurisdiction.
- (i) (1) A recipient shall contractually obligate not less than 75 percent, and shall expend not less than 50 percent, of the initial round 6 program allocations made to it pursuant to paragraph (2) of subdivision (f) no later than June 30, 2027.
 - (2) The department shall disburse the remaining 50 percent of a recipient's total base allocation pursuant to Section 50241 only after the recipient demonstrates all of the following:
 - (A) Compliance with subdivision (h).
 - (B) Compliance with the requirement to contractually obligate and expend a minimum amount of its round 6 program allocation pursuant to paragraph (1).
 - (C) That the recipient has a compliant housing element as defined in Section 65589.9 of the Government Code, if the recipient is a city or county. If the recipient does not have a compliant housing element, the department shall hold the disbursement until the recipient is housing element compliant, consistent with paragraph (3).
 - (3) On or before December 31, 2028, a recipient shall return to the department any funds that have not been expended pursuant to this subdivision, to be allocated as supplemental awards by the department in accordance with Section 50244.
- (j) The department may request additional information from applicants, as needed, to meet other applicable reporting or audit requirements.

- (k) In addition to requirements in Section 50222, the department may monitor the expenditures and programmatic activities of an applicant, as the department considers necessary, to ensure compliance with round 6 program requirements.
- (I) The department may, as it considers appropriate or necessary, request the repayment of round 6 program funds from an applicant, or pursue any other remedies available to it by law for failure to comply with program requirements.
- (m) Any remaining amounts of round 6 base program allocation funds not expended by June 30, 2029, shall revert to, and be paid and deposited in, the General Fund.

(Added by Stats. 2024, Ch. 48, Sec. 13. (AB 166) Effective July 2, 2024.)

Eligible Uses for HHAP Round 6 Funds

HSC section 50243.

- (a) The intent of round 6 is to reflect the state's priorities to prevent and expeditiously reduce unsheltered homelessness through homelessness prevention activities, sustaining existing interim housing solutions, and permanent housing solutions, including long-term sustainability of affordable permanent supportive housing.
- (b) Applicants shall develop data-driven plans that fund the state's priorities.
- (c) Applicants shall demonstrate how the region will use available resources to sustain all existing and, as applicable, any proposed interim housing investments within the region, including, but not limited to, use of local dedicated funding, Behavioral Health Services Act funds, or any funds pursuant to Chapter 6 (commencing with Section 50216) or this chapter as long-term capitalized operating reserves, or any other local, state, or federal funding source.
- (d) Before proposing to use round 6 resources to fund new interim housing other than new interim housing for youth or proposing to use round 6 resources to fund nonhousing solutions, applicants shall first demonstrate that their region has dedicated sufficient resources from other sources to sustain their existing and planned portfolio of long-term permanent affordable housing and existing interim solutions, including capital and operating costs.
- (e) Subject to subdivision (d), allowable uses of round 6 base program allocation funds include all of the following:
 - (1) Permanent housing solutions that can prevent or serve those experiencing unsheltered homelessness, including, but not limited to, persons experiencing homelessness coming from encampment sites. These uses include all of the following:
 - (A) Rental subsidies, including to support placement of individuals in CARE Court.
 - (B) Landlord incentives, such as security deposits, holding fees, funding for needed repairs, and recruitment and relationship management costs.
 - (C) Move-in expenses.
 - (D) Operating subsidies in new and existing affordable or supportive housing units serving people experiencing or at risk of homelessness, including programs such as Homekey, new or existing residential care facilities, funded by the Behavioral Health Continuum Infrastructure Program or the Community Care Expansion Program. Operating subsidies may include capitalized operating reserves.

- (E) Supportive services for people in permanent housing, so long as the services are trauma-informed and practice harm reduction, to include intensive case management services, assertive community treatment services, critical time intervention services, other tenancy support services, evidence-based employment services, coordinating mental health, substance use, and primary care treatment, or other evidence-based supportive services to increase housing retention.
- (F) Capital for permanent housing that serves people experiencing homelessness, including conversion of underutilized buildings or existing interim or transitional housing into permanent housing.
- (G) Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in permanent supportive housing.
- (2) Homelessness prevention includes, but is not limited to, both of the following:
 - prioritize households with incomes at or below 30 percent of the area median income.
 - (B) Diversion support programs that prevent people at risk of or recently experiencing homelessness from entering unsheltered or sheltered homelessness.
- (3) Interim housing solutions, that can provide shelter to those experiencing unsheltered homelessness, including, but not limited to, persons experiencing homelessness coming from encampment sites. These uses include all of the following:
 - (A) Navigation centers that are low barrier, as defined in Sections 65660 and 65662 of the Government Code.
 - (B) Operating expenses for existing congregate shelter sites.
 - (C) Operating expenses in new or existing noncongregate shelter sites and transitional housing for youth.
 - (D) Motel or hotel vouchers.
 - (E) Services provided to people in interim housing, to include trauma-informed and evidence-based intensive case management services, housing navigation, connecting people to substance use or mental health treatment, public benefits advocacy, and other supportive services to promote stability and referral into permanent housing.
 - (F) Capital funding to build new noncongregate shelter sites and transitional housing sites for homeless youth, including for construction, rehabilitation, and capital improvements to convert existing congregate sites into noncongregate sites.
 - (G) Capital funding for clinically enhanced congregate or noncongregate shelter sites.
 - (H) Youth-focused services in transitional housing.
 - (I) Improvements to existing emergency shelters to lower barriers and increase privacy.
 - (J) Any new interim sheltering funded by round 6 funds shall be low barrier, comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of

Division 8 of the Welfare and Institutions Code, and prioritize interventions other than congregate shelters except clinically enhanced congregate shelters as specified in subparagraph (G).

- (4) Nonhousing solutions, including nonhousing services for people experiencing unsheltered homelessness, including, but not limited to, persons experiencing homelessness from encampment sites and those transitioning out of encampment sites. This includes street outreach, evidence-based engagement services, intensive case management services, assertive community treatment, housing navigation, harm reduction services, coordination with street-based health care services, and hygiene services for people living in encampments and unsheltered individuals.
- (f) (1) Applicants may request, in a form prescribed by the department, approval to utilize round 6 funding on allowable expenditures outside of the state's intended priorities, as enumerated in this section.
 - (2) The department may grant applicants preapproval to utilize program funding on allowable uses only after an applicant has demonstrated that state priorities are adequately resourced, and the applicant has exhausted all means to accomplish these priorities.
- (g) An applicant shall not use more than 7 percent of a round 6 program allocation for administrative costs incurred by the city, county, continuum of care, or tribe to administer its program allocation. For purposes of this subdivision, "administrative costs" does not include staff or other costs directly related to implementing activities funded by the program allocation.
- (h) (1) The department may authorize an applicant to use up to an additional 1 percent for costs related to the Homeless Management Information System. Related costs include Homeless Management Information System licenses, training, system operating costs, and costs associated with carrying out related activities.
 - (2) Upon agreement between the grantee and the Homeless Management Information System lead entity, the grantee shall transfer the authorized amount of funds pursuant to paragraph (1) for related costs to the Homeless Management Information System lead entity. The department shall specify the method and manner for this transfer of funds.
- (i) A recipient of a round 6 program allocation shall comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.
- (j) Notwithstanding Section 27011 of the Government Code, or any other law governing the deposit of funds in the county treasury, a county may accept or deposit into the county treasury funds from any source for the purpose of administering a project, proposal, or program under this article.
- (k) For purposes of Section 1090 of the Government Code, a representative of a county serving on a board, committee, or body with the primary purpose of administering funds or making funding recommendations for applications pursuant to this article shall have no financial interest in any contract, program, or project voted on by the board, committee, or body on the basis of the receipt of compensation for holding public office or public employment as a representative of the county.

(I) A program recipient shall not use funding from the program allocated under this section to supplant Encampment Resolution Funding program grant funds provided under Section 50251.

(Added by Stats. 2024, Ch. 48, Sec. 13. (AB 166) Effective July 2, 2024.)

Departmental Authority to Modify Program Requirements for Tribes

HSC Section 50406.

For the purposes of this division, the department has all of the following powers:

- (a) To sue and be sued in its own name.
- (b) To have an official seal and to alter it at pleasure.
- (c) To make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions.
- (d) To employ architects, planners, engineers, attorneys, accountants, experts in housing construction, management and finance, and any other advisers, consultants, and agents necessary for the performance of its functions and to fix their compensation in accordance with applicable law.
- (e) To provide advice, technical information, and consultative and technical services as provided in this division.
- (f) To establish, revise from time to time, and charge and collect fees and charges for services provided pursuant to this division.
- (g) To accept gifts, grants, or loans of funds or property, or financial or other aid, from any federal or state agency or private source and to comply with conditions thereof not contrary to law.
- (h) To enter into agreements or other transactions with any governmental agency, including an agreement for administration of a housing or community development program of the governmental agency by the department, or for administration by another governmental agency of a program of the department, either in whole or in part.
- (i) To enter into any agreements and perform any acts necessary to obtain subsidies for use in connection with the exercise of powers and functions of the department, and to transfer those subsidies to others as required by the agreement.
- (j) To appear on its own behalf before boards, commissions, departments, or other agencies of local, state, or federal government.
- (k) To establish any regional offices necessary to effectuate the department's purposes and functions.
- (I) To acquire real or personal property, or any interest therein, on either a temporary or long-term basis, in its own name by gift, purchase, transfer, foreclosure, lease, option, or otherwise, including easements or other incorporeal rights in property.
- (m) To provide bilingual staff in connection with services of the department and make available departmental publications in a language other than English when necessary to effectively serve groups for which the services or publications are made available.
- (n) To do any and all things necessary to carry out its purposes and exercise the powers expressly granted by this division.
- (o) (1) To sell real property acquired by the department in a foreclosure, by deed in lieu of foreclosure, or sale under a power of sale on a deed of trust, lien, or by exercise of any other security interest on real property securing repayment of a loan or performance under a grant or loan made by the department. Real property so acquired shall be sold

for market value and sale proceeds shall be placed in the fund from which the secured loan or grant was made.

- (2) The department may establish terms, conditions, and restrictions for the sale of real property, including a requirement that the real property be used for housing for persons and families of low or moderate income, and those terms, conditions, and restrictions shall be set forth in the deed or other instrument of conveyance.
- (3) The department may conduct the sale, utilize the assistance of any local public agency authorized to conduct sales of real property, contract with a licensed real estate broker to conduct the sale, or utilize other reasonable marketing methods if the department determines that one of these options will result in a more prompt or cost-efficient sale.
- (4) If the director offers to sell residential real property directly pursuant to this subdivision, the department shall close escrow within 120 days after both of the following have occurred: a qualified buyer has received approval of the department; and the buyer has obtained adequate financing for the purchase. If the deadline set forth in this paragraph is not met, the director shall employ a licensed real estate broker in connection with the proposed sale. The department may exceed the time requirements of this paragraph if the director finds that this is necessary due to factors outside the control of the department, including death of the buyer, inability of the borrower to qualify for financing from a lender, substantial damage to the property resulting from a natural disaster or other act of God, or extraordinary procedural requirements or conditions imposed by the lender or title and escrow company.
- (5) The director shall perform all of the actions specified in subparagraphs (A), (B), and (C) within 30 days after both of the following have occurred: a qualified buyer has received approval of the department; and the buyer has obtained adequate financing for the purchase.
 - (A) Identify repair work needed to be performed on the property.
 - (B) Cause an appraisal of the property to be completed.
 - (C) Determine whether it is appropriate to rent the property until it is sold.
- (6) Sales of real property made pursuant to this section are not subject to the requirements of Sections 11011 and 11011.1 of the Government Code.
- (7) Failure to comply with this subdivision does not invalidate any right, title, or interest acquired by a bona fide purchaser or encumbrancer for value.
- (p) (1) Where the provisions of tribal law, tribal governance, tribal charter, or difference in tribal entity or agency legal structure would cause a violation or not satisfy the requirements of any state financing being provided to a housing development by the department, the requirements of financing provided by the department, including state statutory requirements, may be modified as necessary to ensure program compatibility. Where provisions of tribal law, tribal governance, tribal charter, or difference in tribal entity legal structure or agency create minor inconsistencies, as determined by the director of the department, the department may waive the requirements of the financing

provided by the department, including state statutory requirements, as deemed necessary, to avoid an unnecessary administrative burden.

- (2) Matters that may be waived or modified pursuant to paragraph (1) include, but are not limited to, all of the following:
 - (A) Instrument recordation requirements.
 - (B) Security requirements for state financing provided pursuant to department programs.
 - (C) Title insurance requirements.
 - (D) Target population percentage requirements. A change of target population based on income shall not be of more than one category of income between extremely low, very low, lower, and moderate income households, as those terms are defined in Chapter 2 (commencing with Section 50050) of Health and Safety Code.
 - (E) Affordability levels and unit mix requirements. A waiver for affordability levels shall not be of more than one category of income between extremely low, very low, lower, and moderate income households, as those terms are defined in Chapter 2 (commencing with Section 50050) of Health and Safety Code.
 - (F) Any matter not expressly or objectively set forth in statute, but is set forth with specificity in guidelines or regulations promulgated by the department.
 - (G) Timeline requirements.
 - (H) Service area requirements.
 - (I) Fund matching requirements.
 - (J) Shovel-ready project requirements.
 - (K) Requirements related to housing elements and housing plans.
 - (L) Income limits.
 - (M) Form of funding provided, including, but not limited to, a grant or a loan.
 - (N) Phase of funding, including, but not limited to, predevelopment, construction, or permanent financing.
 - (O) Requirements regarding infill location and density.
- (3) Any standard requirements or general rules of application that the department develops or implements to carry out modifications or waivers set forth in this subdivision shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Divisions 3 of Title 2 of the Government Code.
- (4) Repayment of principal and interest on loans made by the department to tribal sponsors shall be deferred for the full term of the loan.
- (5) The department shall forgive loans made by the department to tribal sponsors if all conditions for the loans have been satisfied.

(Amended by Stats. 2024, Ch. 266, Sec. 2. (AB 1878) Effective January 1, 2025.)

Sovereign Immunity and Tribal Engagement Provisions

HSC Section 50469.

(a) The department shall not require a tribe that is an eligible recipient of state funding to waive tribal sovereign immunity in order to access state or federal funds, as long as not

requiring the waiver is not in conflict with applicable law. This subdivision does not apply to Sections 50237, 50244, 50675.1.1, or 50675.1.3, or any affordable housing programs administered by the department under those sections.

- (b) (1) In order to facilitate better coordination between the department and the tribes that are eligible recipients of state funds, the department shall, to the extent practicable, include its designated tribal liaison or their designee in all discussions with tribes that are eligible recipients.
 - (2) The department's designated tribal liaison and their designee shall complete a culturally competent training course before engaging in these discussions with tribes to equip the tribal liaison and their designee with the knowledge, skills, and mindsets necessary to interact effectively with tribes.

(Added by Stats. 2024, Ch. 266, Sec. 3. (AB 1878) Effective January 1, 2025.)

