

Homeless Housing, Assistance and Prevention Program
ROUND 6 (HHAP 6) **and ROUND 7 (HHAP 7)**

2025 Notice of Funding Availability
(AMENDED)



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February 2025
Amended August 7, 2026

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I. OVERVIEW

The California Department of Housing and Community Development (HCD or Department) is pleased to announce the availability of Homeless Housing, Assistance and Prevention (HHAP) Program Round 6 (HHAP 6) grant funding and HHAP Round 7 (HHAP 7) grant funding, to be disbursed as third and fourth disbursements of HHAP 6. The intent of HHAP 6 is to reflect the state's priorities to prevent and expeditiously reduce unsheltered homelessness through homelessness prevention activities and sustain existing Interim Housing Solutions and Permanent Housing Solutions, including long-term sustainability of permanent affordable housing.

The Legislature appropriated \$1 billion to fund HHAP activities in Fiscal Year 2024-2025. This NOFA makes available **\$760 million in HHAP 6 Fiscal Year 2024-2025 (FY 24-25) funds to regions made up of eligible Large Cities, counties, and Continuums of Care (CoCs).**

This NOFA amendment makes available an additional \$829,350,000.00 in HHAP 7 Fiscal Year 2026-2027 (FY 26-27) to those same regions. HHAP 7 provides additional funding to HHAP grantees that meet the statutory criteria identified in this NOFA to enhance the outcomes committed to in approved HHAP 6 Regionally Coordinated Homelessness Action Plans.

A. Authorizing Statute

HHAP 6 is a grant program authorized by Section 13 of AB 166 (Chapter 48, Statutes of 2024; Health & Safety Code (HSC) Section 50239, et seq.), which was signed into law by Governor Gavin Newsom on July 2, 2024. HHAP 7 is authorized by Section 5 of SB 158 (Chapter 24, Statutes of 2025; HSC Section 50245, et seq.), which was signed into law on October 11, 2025. Subsequently, Section 13 of AB 179 (Chapter 68, Statutes of 2026; HSC Section 50239 et seq.), which was signed into law on July 13, 2026, appropriated \$900 million for HHAP 7.

HSC section 50239(h) states that "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)." This NOFA establishes the Department's guidelines for HHAP 6 and 7, including the terms, conditions, forms, procedures, and other mechanisms that the Department deems necessary to administer HHAP 6 and 7. The guidelines contained in this NOFA are adopted as if they have the "dignity of statutes." (*Ramirez v. Yosemite Water Company, Inc.* (1999) 20. Cal. 4th 785, 799.)

[Appendix A](#) provides reference to key statutes that support HHAP implementation and guidance.

B. Purpose And Program Objectives

The intent of HHAP 6 is to reflect the state's priorities to prevent and expeditiously reduce unsheltered homelessness through homelessness prevention activities and

sustain existing Interim Housing Solutions and Permanent Housing Solutions, including long-term sustainability of permanent affordable housing (HSC section 50243(a)). To accomplish these goals, HHAP 6 requires applicants to create and implement Regionally Coordinated Homelessness Action Plans (HSC section 50240).

HCD also expects applicants to:

- Foster robust regional collaboration and strategic partnerships aimed at fortifying the homeless services and housing delivery system. This should be achieved through the formulation of data-driven and cross-system plans designed to allocate resources in alignment with the state's priorities for housing solutions for people experiencing homelessness. This means implementing strategies that create and sustain regional partnerships and emphasize Permanent Housing Solutions.
- Ensure all cities and counties in the region are addressing existing unsheltered homelessness, including encampments, and preventing future homelessness by planning for future housing needs and following all state housing laws and the California Interagency Council on Homelessness (Cal ICH) [Guidance on Addressing Encampments](#). Jurisdictions must adopt compliant housing elements and implement their respective housing element programs, resolve and avoid state housing law violations, and implement practices to utilize surplus land for the production of affordable housing.
- Ensure the long-term sustainability of housing and supportive services by strategically pairing HHAP 6 funds with other local, state, and federal resources to effectively reduce and ultimately end homelessness.
- Demonstrate sufficient resources dedicated to Interim Housing and long-term Permanent Housing Solutions, including capital and operating costs.
- Demonstrate a commitment to address racial disproportionality in homeless populations and achieve equitable provision of services and outcomes for Black, Native and Indigenous, Latinx, Asian, Pacific Islanders and other People of Color who are disproportionately impacted by homelessness.
- Establish a mechanism for people with lived experience of homelessness to have meaningful and purposeful opportunities to inform and shape all levels of planning and implementation, including through opportunities to hire people with lived experience.
- Fund projects that provide housing and services that are Housing First compliant, per HSC section 50241(f), which references Welfare and Institutions Code 8255 and 8256, and delivered in a low barrier, trauma informed, and culturally responsive manner. Individuals and families assisted with these funds must not be required to receive treatment or perform any other prerequisite activities as a condition for receiving interim or permanent housing, or other services for which

these funds are used. Housing First should be adopted within the entire local homelessness response system, including outreach and interim housing, short-term interventions like Rapid Rehousing, and longer-term interventions like supportive housing.

- Prioritize the use of HHAP funds to assist people to remain in or move into safe, stable, Permanent Housing. HHAP funding should be housing-focused -- either funding Permanent Housing interventions directly or, if used for Interim Housing or street outreach, have clear pathways to connect people to Permanent Housing options.

C. Application Timeline

HCD will notify Eligible Applicants when this NOFA is posted and becomes available. Applications will be due no later than August 29, 2025.

HCD staff will be hosting a Zoom webinar to walk through this NOFA and the application requirements on March 18, 2025. HCD will use the regularly scheduled March Homelessness Grants Office Hours webinar for this NOFA and application walk-through.

HHAP 6 Application and Award Process	
Action	Timeframe
NOFA and Final Allocations Available	February, 2025
NOFA and Application Walk-through	March 18, 2025
Final Applications Due	August 29, 2025
HCD reviews and approves application or requests and reviews amendments	Rolling, Estimated August–December 2025

HCD will notify Grantees when this amended NOFA is posted and becomes available. No new application is required for HHAP 7. Rather, HHAP 7 will be administered as additional disbursements to support enhanced outcomes under approved HHAP 6 Regionally Coordinated Homelessness Action Plans. Since HHAP 7 shall be administered as additional disbursements of HHAP 6 and no new application will be required, any reference herein to an application shall refer to Grantees' Round 6 application for funding. Instead of a new application for funding for Round 7 of HHAP, to become eligible to receive HHAP 7 funds, Grantees must meet the requirements detailed in [Section V.C. "HHAP 7 Initial Disbursement"](#) and [Section V.D. "HHAP 7 Second Disbursement."](#)

D. Available Funding

The Legislature appropriated \$1 billion to fund various HHAP activities in ~~Fiscal Year 2024-2025 (FY 24-25)~~, less \$50 million in program administration. This NOFA makes available \$760 million in HHAP 6 funds to regions made up of eligible cities, counties, and Continuums of Care (CoCs).

The FY 24-25 HHAP appropriation also funds \$28.5 million for Tribal HHAP 4, and \$161.5 million for HHAP Homekey Supplemental funding, which is administered by HCD under the Non-Veterans Homekey+ and Tribal Homekey+ programs. The \$161.5 million FY 24-25 HHAP Homekey Supplemental was paired with the \$161.5 million FY 23-24 HHAP Homekey Supplemental, for a total of \$323 million HHAP Homekey Supplemental funds, which were made available through the Non-Veterans Homekey+ NOFA (\$290.7 million) and Tribal Homekey+ NOFA (\$32.3 million) released on November 26, 2024.

The Legislature appropriated \$900 million in FY 26-27 for HHAP 7, less \$45 million in program administration. The FY 26-27 appropriation also includes \$25,650,000 for Tribal HHAP 5, to be made available in a separate NOFA. Therefore, this NOFA makes available approximately \$829,350,000 in HHAP 7 funds to the same regions funded in HHAP 6.

Summary of Total HHAP FY 24-25 Funding

Category	Amount
Total FY 24-25 HHAP Funding	\$1 billion
HHAP 6 Regional Allocations – Covered by this NOFA	\$760 million
Tribal HHAP 4	\$28.5 million
Non-Veterans Homekey+ (HHAP FY 24-25 Homekey Supplemental)	\$145.35 million
Tribal Homekey+ (HHAP FY 24-25 Homekey Supplemental)	\$16.15 million
Program Administration	\$50 million

Summary of Total HHAP FY 26-27 Funding

Category	Amount
Total FY 26-27 HHAP Funding	\$900 million
HHAP 7 Regional Allocations – Covered by this NOFA	\$829.35 million
Tribal HHAP 5	\$25.65 million
Program Administration	\$45 million

Summary of HHAP 6 and 7 Regional Allocation Percentages

Per HSC section 50241(a)(1) and HSC section 50242(n)(1), HHAP Round 6 and 7 funding will be made available as non-competitive allocations to Eligible Applicants, including CoCs, Large Cities, and Counties, as follows:

Category	Percentage of HHAP 6 Regional Allocations	Allocation Amount HHAP 6	Allocation Amount HHAP 7
Continuums of Care (CoCs)	30%	\$228 million	\$248.805 million
Large Cities	42%	\$319.2 million	\$348.327 million
Counties	28%	\$212.8 million	\$232.218 million

Individual HHAP 6 allocations for each of the Eligible Applicants is based on their proportionate share of the state's homeless population as reported by the U.S. Department of Housing and Urban Development (HUD) in the 2024 Homeless Point in Time (PIT) count. **HHAP 7 allocations follow the same methodology, using data from the 2025 HUD PIT count and reflecting reallocations of HHAP 1, 2, and 3 funding pursuant to HSC section 50239(i). For more information on HHAP reallocations, refer to NOFA Section VI.C. "Reallocation of Unexpended HHAP Awards."**

The HHAP 6 **and 7** Methodology is described in [Appendix C](#) within this NOFA.

II. **ELIGIBILITY REQUIREMENTS**

A. **Eligible Applicants**

Eligible Applicants for HHAP 6 program funds are **detailed in HSC section 50241(a)(1), and are** the same as in Round 5 of HHAP funding, which include:

- California's 44 CoCs identified by HUD, **pursuant to HSC section 50240(a)(1)(A).**
- California's 14 cities with a population of 300,000 or more as of January 1, 2022, **pursuant to HSC section 50240(a)(1)(B).**
- California's 58 counties, **pursuant to HSC section 50240(a)(1)(C).**

Per HSC section 50240(a), Eligible Applicants **must** apply as part of a region and be a signatory to a Regionally Coordinated Homelessness Action Plan that has been approved by HCD.

B. **Definition of "Region"**

For purposes of HHAP Rounds 5, **and 6, and 7**, the term "region" refers to the geographic area served by a county, including all cities and the CoC or CoCs within it (HSC section 50230(v)). A region that has a CoC that serves multiple counties may submit a plan that covers multiple counties and the cities within them, **and multi-county regions that are served by the same CoC are strongly encouraged to apply as one region.** However, the CoC may participate in the Regionally Coordinated Homelessness Action Plan of each individual county that is part of the CoC along with the cities within each county.

All CoCs within the County of Los Angeles shall be considered part of a single region, along with the county and eligible cities within the county, and therefore must apply together.

Note: All Eligible Applicants participating in the Regionally Coordinated Homelessness Action Plan must meet all HHAP 6 application and eligibility requirements before their regional application can be approved and their HHAP 6 allocation(s) disbursed by HCD. **Grantees must meet the requirements detailed in [Section V.C. “HHAP 7 Initial Disbursement”](#) and [Section V.D. “HHAP 7 Second Disbursement”](#) to become eligible to receive HHAP 7.**

III. **ELIGIBLE USES**

In line with HSC section 50243(e), below is a table summarizing the eligible uses of HHAP 6 **and 7** funds by Eligible Use Categories, including descriptions and examples:

HHAP 6 Statute	Eligible Use Category	Explanation and examples of eligible uses under this eligible use category
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), and HSC 50243(e)(2)(A)	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 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, • Coordinating mental health, 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, per HSC 50243(e)(1)(F)	Capital for Permanent Housing that serves people experiencing homelessness, including conversion of underutilized buildings or existing interim or transitional housing into Permanent Housing.
HHAP 6 Statute	Eligible Use Category	Explanation and examples of eligible uses under this eligible use category
Category #2: Homelessness Prevention Activities that can prevent or serve those experiencing unsheltered homelessness, including, but	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, other homelessness prevention programs are eligible, as long as they prioritize households with incomes at or below 30 percent of the area median income (AMI). • Problem solving and diversion support programs that prevent

not limited to, persons experiencing homelessness coming from encampment sites.		people at risk of or recently experiencing homelessness from entering unsheltered or sheltered homelessness.
HHAP 6 Statute	Eligible Use Category	Explanation and examples of eligible uses under this eligible use category
Category #3: Interim Housing Solutions that can prevent or serve those experiencing unsheltered homelessness, including, but not limited to, persons experiencing homelessness coming from encampment sites.	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.
	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.
	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 shelters 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)	Services provided to people in Interim Housing, so long as the services are trauma-informed and practice harm reduction, to include, but are not limited to: • 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. • 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.
	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.
HHAP 6 Statute	Eligible Use Category	Explanation and examples of eligible uses under this eligible use category
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 • Assertive 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.)
Administrative Costs	Administrative Costs (up to 7 percent of allocation amount)	Eligible uses should be categorized here when costs are incurred by the city, county, or CoC to administer its HHAP program allocation. Examples include, but are not limited to: • Regional coordination • HHAP 6 regional planning and application process • Homeless Management Information System (HMIS) training, licenses, and/or operating costs • Reporting • Grant administration Administrative Costs do not include staff or other costs directly related to implementing activities funded by the program allocation.
	HMIS (Up to 1 percent of allocation amount)	Eligible uses should be categorized here when the eligible applicant elects to allocate up to 1 percent of their HHAP 6 allocation to cover expenses associated with the administration of HMIS. This funding shall be transferred directly to the HMIS lead entity and is intended to support the functioning, maintenance, and operation of the local HMIS. Examples include, but are not limited to: • System licenses • Training

		• System operating costs • Costs associated with carrying out related activities HMIS costs may also be supported through Administrative Costs (Grantees may use up to 7% of allocations toward Administrative Costs) and under program costs (in categories 1-4) when the activities directly support implementing the housing and non-housing activities funded by the program allocation.
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IV. **HHAP 6 APPLICATION SUBMISSION, REVIEW, AND AWARD PROCESS**

A. **Application Required Components**

To be eligible for a HHAP 6 allocation award, Eligible Applicants for HHAP 6 funding must:

- Conduct stakeholder engagement to support development of the HHAP 6 Application
- Apply as part of a region, and as a region, submit a complete HHAP 6 application through the application portal provided by HCD. The application must adhere to the prescribed formats, include all essential components, and be found by HCD to be compliant with all requirements.
- The application will include the following sections:
 - Regional Identification and Contracting Information
 - Documentation of Stakeholder Engagement
 - Regionally Coordinated Homelessness Action Plan: This may be an updated version of a previously submitted and approved Regionally Coordinated Homelessness Action Plan.
 - Regional Partners' Roles and Responsibilities
 - System Performance Measures Improvement Plan
 - HHAP 6 Funding Plan
 - Sustainability of the Region's Housing Portfolio
 - Youth Set-Aside
 - Regional Memorandum of Understanding

The minimum HHAP 6 application requirements and guidance for each of the application components are described in more detail below.

1. Required Components – Regional Identification and Contracting Information

While Eligible Applicants within a region are required to apply together and to jointly complete a Regionally Coordinated Homelessness Action Plan, each applicant (large city, county, and/or CoC) shall have the discretion to request their allocation directly, and act as their own Administrative Entity; or designate an Eligible Applicant in their region to administer the funds on their behalf, and act as their Administrative Entity.

This selection will indicate to HCD which Eligible Applicant will enter into contract with the state to receive and administer each Eligible Applicant's HHAP 6 allocation following award. The Administrative Entity is responsible for administering the funds, contracting (when necessary) with sub-recipients, reporting on HHAP 6 obligations and expenditures to HCD, reporting universal data elements for people and families served into local HMIS, and meeting the other terms and conditions of the contract. (See [Section V. "Funds Disbursement"](#) for more information on eligibility requirements for the initial and remainder disbursements and See [Section VI. "Monitoring, Documentation, and Reporting"](#) for more information on the responsibilities of Administrative Entities and subrecipients.)

Regional Identification information must be submitted following the prescribed format, which must include the name and contact information of each Eligible Applicant that is applying as part of the regional application. Additionally, comprehensive contracting details must be furnished for all entities that will administer HHAP 6 funding (i.e., Administrative Entities).

While HHAP 6 requires that regions submit one coordinated application, each eligible applicant within a region must choose one of the following options:

- Receive and administer their allocation **or**
- Designate one of the Eligible Applicants within their region to receive and administer their HHAP 6 allocation.

Administrative Entity designations will determine how many funding plans are required to be submitted as part of the HHAP 6 regional application. HCD requires **one funding plan per Administrative Entity**. Funding plan guidance is provided below under [Section IV.A.4: "HHAP 6 Funding Plan\(s\)"](#).

Please note, that while small cities and tribal governments should be included in the development of the Regionally Coordinated Homelessness Action Plan, only Eligible Applicants for HHAP (Large Cities, Counties, and CoCs) are eligible to receive a direct allocation from HCD.

2. Required Components – Documentation of Stakeholder Engagement

HHAP 6 requires participating applicants within a region to collaborate and engage in a

public stakeholder process while developing the HHAP 6 application, including the Regionally Coordinated Homelessness Action Plan. This is intended to ensure that all key stakeholders have the opportunity to contribute their valuable insights and experiences and inform the proposed actions and funding before the application is submitted. **The stakeholder engagement should also be used to help inform the application's requirements related to documenting the Sustainability of the Region's Housing Portfolio.**

The public stakeholder process must include at least three public meetings, allowing for extensive input from various groups and individuals. During the public stakeholder process, participating applicants **must** invite and encourage all of the following groups to engage in the public stakeholder process:

- People with lived experience of homelessness, including but not limited to survivors of domestic violence.
- Youth with lived experience of homelessness.
- Local department leaders and staff of qualifying smaller jurisdictions, including child welfare, public welfare, health care, behavioral health, justice, and education system leaders.
- Homeless services and housing providers, **including developers of permanent affordable housing operating within the region.**
- Each Medi-Cal Managed Care Plan contracted with the State Department of Health Care Services in the region.
- Street medicine providers, victim service providers, and other service providers directly assisting people within the region experiencing homelessness or at risk of homelessness.
- **Federally recognized tribal governments pursuant to Section 4103 of Title 25 of the United States Code that are within the region.**

Applicants will be required to:

- 1) certify they engaged in the above-described process as part of developing their application
- 2) provide the dates of the public meetings
- 3) describe how specific groups were invited and encouraged to engage in the public stakeholder process, such as copies of meeting invites and invitee list, and
- 4) describe the input from public meetings that was incorporated into the application

3. Required Components – Regionally Coordinated Homelessness Action Plan

Applicants must submit a Regionally Coordinated Homelessness Action Plan that fully

complies with HSC section 50240(c). This plan shall lay out a strategic approach to address homelessness within the region, emphasizing collaborative efforts among participating applicants. The plan must include the following key elements and follow the specified process.

In developing their HHAP 6 Regionally Coordinated Homelessness Action Plans, regions should build upon their approved HHAP 5 Regionally Coordinated Homelessness Action Plans. This means regions should leverage and update information from their approved HHAP 5 Regionally Coordinated Homelessness Action Plan in corresponding sections of the HHAP 6 application.

a. Sub-Component: Regional Partner's Roles and Responsibilities:

Applicants must identify and describe the specific roles and responsibilities of each participating applicant within the region as they pertain to:

- Outreach and site coordination: Describe how all participating Eligible Applicants are or will begin to coordinate efforts to ensure comprehensive outreach to individuals experiencing and at risk of experiencing homelessness in the region and coordinate on siting of services, shelters, and interim and permanent housing.
- Siting and use of available land: Describe how all participating Eligible Applicants will coordinate efforts to identify and promote use of available land for the production of interim or permanent housing.
- The development of interim and permanent housing options: Describe how all participating Eligible Applicants are engaging housing developers, including non-profit developers of permanent supportive housing, working in the region to coordinate the financing of interim and permanent housing.
- Coordination and connection to service delivery: Coordinating, connecting, and delivering services to individuals experiencing homelessness or at risk of experiencing homelessness within the region, including specifying roles and coordination plans in relation to the Mental Health Services Act or Behavioral Health Services Act, within the region.
- Policies for Addressing Encampments: Identify the number of encampments identified within the region, with specific plans to address these encampments. Indicate whether each Eligible Applicant in the region has a current and formal policy to address encampments and if so, confirm it complies with the California Interagency Council on Homelessness (Cal ICH) [Guidance on Addressing Encampments](#). Provide a link to the policy. If no formal policy exists, describe existing efforts and provide an active commitment to follow the California Interagency Council on Homelessness (Cal ICH) [Guidance on Addressing Encampments](#). HCD may coordinate with Cal ICH in review and approval of policies for addressing encampments to confirm compliance with their guidance. If an encampment policy is not compliant, it must be updated.

- **OPTIONAL:** The roles and responsibilities of smaller jurisdictions and tribal governments that have elected to collaborate on the plan may also be included, but are not required.

Large City and county Regional Partners must specifically provide a status update on the following critical Roles and Responsibilities for Large City and county Regional Partners.

- **Housing element compliance:** Indicate that each city and county Eligible Applicant has an adopted housing element that HCD has found substantially compliant with Housing Element Law, or if not compliant, provide a timeline for all relevant milestones to achieve compliance. Milestones include but are not limited to submitting revised drafts that address all outstanding findings for HCD's review, submitting required rezones for HCD's review, adopting the housing element, and final review and approval by HCD. Eligible applicants within the region must have an adopted housing element that HCD has found substantially compliant before receiving their remainder HHAP 6 disbursement.
- **Housing element implementation:** Indicate that each city and county Eligible Applicant has implemented all programs in their adopted housing element on the timelines identified in the housing element, or if they have not, provide a timeline and plan to implement the past due programs.
- **Prohousing Designation:** Indicate if each Eligible Applicant in the region has received the Prohousing Designation, if they have applied, or if they have plans to apply in the future. For jurisdictions that have not yet applied, they may identify Prohousing Policies (as described in the Prohousing application) that they have adopted or plan to adopt in the future.
- **Housing law violations:** Indicate that each city and county Eligible Applicant does not have any potential or actual violations under investigation by HCD's Housing Accountability Unit or the Attorney General's Housing Justice Team, or if there is a potential or actual violation under investigation, provide a timeline and plan to resolve the issue.
- **Surplus land:** Indicate that each city and county Eligible Applicant has made a central inventory of all surplus land and all lands in excess of their foreseeable needs as required by Government Code (GC) section 54230, or if they have not, provide a timeline and plan to create such an inventory.
- **Annual Progress Report:** Indicate that each Large City and county Eligible Applicant has submitted a timely and complete annual progress report for, at a minimum, the previous two years.

b. Sub-Component: System Performance Measures Improvement Plan

i. California System Performance Measures

The California System Performance Measures (CA SPMs) are a standardized set of

metrics to help regions assess progress towards preventing, reducing, and ending homelessness. The current CA SPMs **codified in HSC section 50240(c)(2)** includes all of the following, as well as age, gender, racial and ethnic disparities data for each CA SPM:

- Number of people accessing services who are experiencing homelessness.
- Number of people experiencing unsheltered homelessness on a single night (unsheltered PIT count).
- Number of people experiencing homelessness who are accessing services for the first time in the past two years.
 - While rates of homelessness for those exiting institutional settings is not yet an officially tracked CA SPM, applicants must include at least one Key Action with a specific focus on reducing first time instances of homelessness for those exiting institutional settings, including, but not limited to, jails, prisons, and hospitals.
- Number of people exiting homelessness into Permanent Housing.
- Average length of time that people experienced homelessness while accessing services.
- Percentage of people who return to homelessness within six months of exiting the homelessness response system to Permanent Housing.
- Number of people with successful placements **into shelter, interim, or permanent housing** from street outreach ~~projects~~.

ii. System Performance Measures Improvement Plan: Key Actions to Improve System Performance

The System Performance Measures Improvement Plan is a critical component of the Regionally Coordinated Homelessness Action Plan. This section documents all the key actions the regional partners are taking to improve their homelessness CA SPMs.

The plan may also include the key actions of small jurisdictions and/or tribal governments in the region that elect to engage and collaborate in the Regionally Coordinated Homelessness Action Plan.

All HHAP 6-funded activities must be listed as key actions to demonstrate that the funds will contribute to improving the region's CA SPMs.

Each regional partner must also include the key actions they are taking beyond HHAP 6 funding to address homelessness. These key actions must include how each regional partner is improving the region's CA SPMs through use of local, state, and federal funds, including, but not limited to all of the following:

- The Homekey program, as described in Section 50675.1.1.
- The No Place Like Home Program (Part 3.9 (commencing with Section 5849.1) of Division 5 of the Welfare and Institutions Code).
- The Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2).
- The Housing for a Healthy California Program (Part 14.2 (commencing with Section 53590)).
- The Homeless Housing, Assistance and Prevention Program (Chapter 6 (commencing with Section 50216)). All items currently being funded through rounds 1 through 4, inclusive, pursuant to the Homeless Housing, Assistance and Prevention Program (Chapter 6 (commencing with Section 50216)) and round 5 pursuant to the Round 5 of the Homeless Housing, Assistance and Prevention Program (Article 1 (commencing with Section 50232)), and those items proposed to be funded by round 6 pursuant to this article must be included as key actions. If an item proposed to be funded under the rounds will not lead to improvement of the system performance measures described in paragraph (2), it is not an eligible use of funding pursuant to those rounds.
- Funding distributed to local jurisdictions pursuant to subparagraph (B) of paragraph (2) of subdivision (b) of Section 50470.
- The California Emergency Solutions Grants Program (Chapter 19 (commencing with Section 50899.1) of Part 2).
- The National Housing Trust Fund established pursuant to the Housing and Economic Recovery Act of 2008 (Public Law 110-289) and implementing federal regulations.
- HOME Investment Partnerships Act (Chapter 16 (commencing with Section 50896)).
- Parolee or probation programs that are intended to prevent homelessness upon release.
- CalWORKs (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code).
- CalFresh (Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code).
- Supplemental Security Income/State Supplemental Program (SSI/SSP) (Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code and Chapter 3 (commencing with Section 12000) of Part 3 of

Division 9 of the Welfare and Institutions Code) and the Cash Assistance Program for Immigrants (CAPI) pursuant to Chapter 10.3 (commencing with Section 18937) of Chapter 10.3 of Part 6 of Division 9 of the Welfare and Institutions Code.

- In-home supportive services.
- Adult protective services.
- Child welfare.
- Childcare and development.
- Disability benefits advocacy.
- Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code).
- Mental Health Services Act and Behavioral Health Services Act.

iii. Required Detail on Key Actions

For **each** key action, applicants must include the following items, and HCD may follow up for more detail as needed to determine compliance with the NOFA and statute:

- Describe the key action in clear, specific terms.
- Identify the CA SPM(s) that the key action will improve, and how the Key Action will improve the CA SPM or SPM(s). Each applicant must identify at least one Key Action related to reducing CA SPM: “The Number of people experiencing unsheltered homelessness” and at least one Key Action related to increasing CA SPM “the Number of people exiting homelessness into Permanent Housing.”
- Identify the lead entity and collaborating entities partnering to achieve the key action.
- Provide the target date for milestones and completion of the key action.
- Provide a clear metric for how success of the key action will be measured.
- Identify the funding source(s) for the key action and describe how the funding source(s) will contribute to the achievement of the key action. For HHAP 6 funded key actions, include the eligible use category or categories as applicable.
- A description of how the key action will address system performance disparities and ensure racial and gender equity in:
 - Service Delivery

- Housing Placements
- Housing Retention
- Changes to procurement, or
- Other means of affirming racial and ethnic groups that are overrepresented among residents experiencing homelessness have equitable access to housing and services.

4. Required Components - HHAP 6 Funding Plan(s)

Pursuant to HSC section 50243, HHAP 6 is intended to reflect the state's priorities to prevent and expeditiously reduce unsheltered and sheltered homelessness through homelessness prevention activities and sustain existing Interim Housing Solutions, and Permanent Housing Solutions, including long-term sustainability of interim housing and permanent affordable housing.

a. HHAP 6 Proposed Funding Activities:

- Each Administrative Entity must submit one funding plan that budgets the total HHAP 6 allocation(s) they will be administering in adherence with the requirements and eligible uses as specified in HSC section 50243(e) and as elaborated on in [Section III. "Eligible Uses."](#)
- The total HHAP 6 Allocation(s) being administered by the Administrative Entity.
- Description of:
 - Specific activity proposed to be funded
 - Eligible use category
 - Total HHAP 6 funding proposed for the activity
 - If applicable, the total HHAP 6 funding proposed for the activity that meets the requirements of the Youth Set-Aside

Note: Every proposed HHAP 6 funding activity must also be included under the System Performance Measures and Improvement Plan as a key action.

b. Funding Priority Considerations – Document Sustainability of the Region's Interim Housing Portfolio

Pursuant to HSC section 50243(c), all Eligible Applicants must demonstrate they have dedicated sufficient resources to sustain their region's existing and proposed portfolio of interim housing.

To document this within the application, the region will be required to submit:

- 1) The total existing interim housing shelters and beds (beds) in the region.

- 2) The total beds proposed to be added during the grant term (FY 24/25-28/29) in the region, if applicable.
- 3) The total estimated capital and operating costs for the beds (existing and proposed) during the grant term.
- 4) The funding sources (including amounts) that will realize and sustain the estimated capital and operating costs for the beds in the region for the period of the grant term (FY 24/25-28/29).

If a gap remains, the applicant must identify other sources to address the gap. This may include, but is not limited to, use of HHAP funding, local dedicated funding, Behavioral Health Services Act funds, long-term capitalized operating reserves, or any other local, state, or federal funding source from the list within the Systems Performance Measures Improvement Plan section of this NOFA.

The stakeholder engagement required in advance of application development should also be used to help inform the application's requirements related to documenting the sustainability of the region's interim housing portfolio.

c. Funding Priority Considerations – Document Sustainability of the Region's Permanent Housing Portfolio (as applicable)

Pursuant to HSC section 50243(d), before an applicant proposes to use HHAP 6 funding for either: New Interim Housing, defined as eligible uses HSC section 50243 (e)(3)(A),(F),(G), and (J), other than New Interim Housing that meets the Youth Set Aside requirement described below, or any Non-Housing Solutions (defined as eligible uses HSC 50243(e)(4)), the applicant must demonstrate there is not a financial gap in sustaining the existing and proposed portfolio of permanent affordable housing within their region.

To document this within the application, the region will be required to submit:

- 1) The total permanent affordable housing developments and units (developments) in the region. This data can be provided by HCD upon request.
- 2) The total developments at risk of expiring affordability restrictions during the grant term (FY 24/25-28/29) in the region. This data can be provided by HCD upon request.
- 3) The total developments proposed, such as those currently seeking permanent housing funding or operations support in the region, which still have a financing or supportive services and operations funding gap.
- 4) For 2 and 3, identify and describe the funding sources (including amounts) that will realize the estimated capital and operating costs to address the funding gaps or preserve the at-risk developments in the region. This may include, but is not limited to, use of local dedicated funding, local housing trust fund, Behavioral Health Services Act funds, long-term capitalized operating reserves, or any other

local, state, or federal funding source from the System Performance Measures Improvement Plan section of this NOFA.

- 5) If an applicant demonstrates they can sustain their existing and proposed interim and permanent housing portfolios within the region, then they may be permitted to use HHAP 6 funds on New Interim Housing (beyond New Interim Housing for youth populations) and/or Non-Housing Solutions; however, applicants will still be required to budget and spend at least 50 percent of their HHAP 6 allocation on housing solutions, defined as HSC section 50243(e)(1),(2),and (3)(A-I).

If a gap remains, the applicant must identify other sources to address the gap. This may include, but is not limited to, use of HHAP funding, local dedicated funding, Behavioral Health Services Act funds, long-term capitalized operating reserves, or any other local, state, or federal funding source from the list within the Systems Performance Measures Improvement Plan section of this NOFA.

The stakeholder engagement required in advance of application development should also be used to help inform the application's requirements related to documenting the sustainability of the region's permanent housing portfolio.

d. Funding Priority Considerations – Document Youth Set-Aside Requirement has been met

At least 10 percent of each HHAP 6 allocation must be spent on services for homeless youth (HSC section 50241(e)), and there are no prohibitions on spending a greater percentage on the Youth Set Aside.

Homeless youth is defined as unaccompanied youth between ages 12- and 24-years old experiencing homelessness, including pregnant and parenting youth, per HSC section 50216(l). Dollars spent toward the Youth Set Aside have the same eligible uses as the broader program. Proposed funding activities should be categorized as part of the Youth Set Aside when costs support services and housing interventions for homeless youth populations.

Additionally, the Sustainability of the Region's Permanent Housing Portfolio justification is not required for New Interim Housing Solutions for homeless youth.

5. Required Components – Regional Memorandum of Understanding

Per HSC section 50240(f), the Regionally Coordinated Homelessness Action Plan must be reflected in a Memorandum of Understanding (MOU). The MOU shall commit all signatories to participate in and comply with the Regionally Coordinated Homelessness Action Plan. The MOU shall also certify that all Eligible Applicants and subgrantees will employ the core components of Housing First (see [Section VI.G.2 "Housing First Requirement"](#)).

OPTIONAL: Smaller jurisdictions and/or tribal governments within the region may choose to sign the MOU and commit to participating in and adhering to the Regionally Coordinated Homelessness Action Plan. To support this, counties are encouraged to

allocate resources from program funding to smaller jurisdictions that actively engage in and comply with the plan.

B. Developing and Submitting a Complete HHAP 6 Application

1. Leverage HHAP 5 Application Components

In developing their HHAP 6 Applications, regions should build upon their approved HHAP 5 Applications. This means regions should leverage and update information from their approved HHAP 5 Application in corresponding required components of the HHAP 6 application.

2. Applicants must post Proposed, Amended, and Approved Regionally Coordinated Homelessness Action Plans

Per HSC section 50240(i), participating applicants involved in the Regionally Coordinated Homelessness Action Plan are required to publish the proposed, amended, and approved versions of their Regionally Coordinated Homelessness Action Plans on their respective internet websites. HCD will also post the proposed, amended, and approved version of the Regionally Coordinated Homelessness Action Plans on its website.

3. Submitting a Complete HHAP 6 Application

The HHAP 6 application will be available and must be completed online. All required application components must be submitted through the online application portal by August 29, 2025. Upon submission of the online application, the applicant will receive a confirmation email that includes a copy of the application and details about the next steps in the application process.

HHAP 6 applications will be reviewed upon receipt of the online application submission, including all required components and documentation.

Within 30 days of the application submittal, 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:

- Greater detail on any aspect of the application so the Department can ensure compliance with requirements, fidelity with the applicant's proposed use of funds and impact on system performance measures.
- 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.
- 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.

An applicant whose application has been returned pursuant to the above 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.

The Department shall have another 30 days 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.

Per HSC section 50240(j), the Department may consult with any local government, public agency, group, or person, regarding the action by a participating jurisdiction in determining whether any Regionally Coordinated Homelessness Action Plan substantially complies with the HHAP 6 statute and the guidelines in this NOFA.

HCD shall approve or deny an application, and the determination of the amount of funding to be provided shall be final (HSC section 50239(e)).

Upon approval of each regional application, HCD will issue award letters and will send contract packages to each Administrative Entity. Administrative Entities will have 30 days to complete and return the contract packages. Once contracts are executed, Grantees will receive their initial disbursement in one check. See below for more information on the disbursement of HHAP 6 funds.

V. FUNDS DISBURSEMENT

A. HHAP 6 Initial Disbursement

To receive the initial disbursement of HHAP 6, the region and its regional partners must have received a HHAP 6 award, **and** the Administrative Entities must demonstrate they have met the obligation and expenditure requirements for HHAP rounds 1 through 4 as outlined in HSC section 50242(f) in order to be eligible to receive their HHAP 6 initial disbursement.

These obligation and expenditure requirements are:

- The Administrative Entity must have contractually obligated 100 percent of HHAP rounds 1 through 3.
- The Administrative Entity must have expended 100 percent of HHAP Round 1 or returned any funds remaining after the 6/30/2025 expenditure deadline.
- The Administrative Entity must have expended at least 50 percent of their funding and contractually obligated at least 75 percent of their funding from the first disbursement of HHAP Round 4.
- In addition, in order to facilitate HCD's evaluation of whether these requirements have been met, and its evaluation of progress on California System Performance Measures (CA SPMs), the Administrative Entity must be in good standing on reporting for HHAP rounds 1 through 5, including fiscal reporting and reporting into HMIS.

Once applicants have met these requirements and contracts are executed, HCD will take the necessary steps to disburse the initial HHAP 6 disbursements to each Administrative Entity, which includes 50 percent of the eligible Large City, county, or CoC's HHAP 6 award.

B. HHAP 6 Remainder Disbursement

In order to be eligible to receive the remaining 50 percent of the HHAP 6 award, Eligible Applicants must:

- Housing Element Compliance: Demonstrate that it has a compliant housing element as defined in HSC section 65589.9 of the Government Code (Applies to Large City and county Grantees only). Each Large City and county Grantee within each region must have a compliant housing element as defined in ~~HSC GC~~ **HSC GC** section 65589.9 ~~of the Government Code~~ before they may receive their HHAP 6 remainder disbursement. The housing element requirement does not apply to CoCs. If a Large City or county Grantee does not have a compliant housing element, the Department shall hold the disbursement until the recipient's housing element is found compliant.
- Demonstrate Sufficient Spenddown: Grantees must obligate at least 75 percent of the initial HHAP 6 disbursement and expend at least 50 percent of the initial HHAP 6 disbursement no later than June 30, 2027.
- Update on the Regionally Coordinated Homelessness Action Plan: Submit, and have approved by HCD, an update to their Regionally Coordinated Homelessness Action Plan. Each region must submit an update to their Regionally Coordinated Homelessness Action Plan activities to HCD no later than January 31, 2027 (HSC section 50242(h)). This update shall include obligation and expenditure progress, status of key actions in the System Performance Measures Improvement Plan as measured by the respective success metrics, and status updates on CA SPMs.

The Department shall, within 30 days, review the update to the Regionally Coordinated Homelessness Action Plan and report its findings to the region. If the Department finds that a Grantee failed to adhere to the requirements, the Department may require the participating jurisdictions in the region to make specific changes needed to meet the requirements. If the Department finds that the Grantee has adhered to the requirements or concludes that the Grantee has addressed any shortcomings in the update, the Department shall approve the update.

Corrective Action Plans:

If the Department concludes that the Grantees in the region made insufficient progress on key actions or failed **to adequately improve on at least one-half of the region's CA SPMs, based on most recent CA SPM data available**, the

Department may require the participating jurisdictions to provide a corrective action plan to the update to the Regionally Coordinated Homelessness Action Plan and/or funding plans 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.

The Department has 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.

The Department may withhold the remaining 50 percent of funds from a Grantee until the Department has found the update to the HHAP 6 Regionally Coordinated Homelessness Action Plan or the corrective action plan satisfactory. The Department shall provide technical assistance and support regions' efforts to comply with the requirements.

Regions are also encouraged to update their memorandums of understanding to reflect the update to their Regionally Coordinated Homelessness Action Plan 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.

C. HHAP 7 Initial Disbursement

1. General Requirements

HSC section 50242(n) includes the requirements Grantees must meet to be eligible to receive the initial disbursement of HHAP 7. The table below details the accountability measures required to be met to receive the initial disbursement of HHAP 7, and to which entities they apply. Following the table are descriptions of each accountability measure.

Accountability Measure Required for Initial Disbursement	HHAP 7 Eligibility Criteria - Regional Requirement and Administrative Entity Requirements		
	14 Large Cities + 11 Counties in Which they are Located	All Other Counties	CoCs
HHAP 7 Funding Plan	Must be submitted as a HHAP Region		
Regionally Coordinated Homelessness Action Plan Key Action Updates/Additions	Must be updated as a HHAP Region		
Met All Requirements to Receive the HHAP 5	Must be met by the Administrative Entity		

Second Disbursement		
Obligated No Less Than 50% of HHAP 6	Must be met by the Administrative Entity	
Good Standing on All Reporting Requirements	Must be met by the Administrative Entity	
Housing Element Compliance	Must be met by each City and County	Does not apply to CoCs
Compliant Policy to Address Encampments	Must be met by each City and County	Does not apply to CoCs
Prohousing Designation Obtained	Must be met by each of the 14 Cities and 11 Counties	Does not apply to other Counties and CoCs
Demonstrating 35% of Qualifying Local Match	Must be met by each of the 14 Cities and 11 Counties	Does not apply to other Counties and CoCs

- **HHAP 7 Funding Plan:** Regions must provide a detailed proposal for how they intend to use the full HHAP 7 program allocation. Concurrent with the release of this amended NOFA, HCD will publish the form that grantees must use to document their HHAP 7 Funding Plans. HCD encourages HHAP regions to submit HHAP 7 funding plans as early as possible, rather than waiting until all Grantees in the region have met the eligibility criteria for the initial disbursement of HHAP 7. During the period after HCD's approval of Grantee's budget plan and before HCD's determination that Grantee is eligible for funding, Grantees may obligate HHAP 7 funds under instruments which condition the obligation upon Grantee's eligibility for HHAP 7 funding. Grantees must report obligations through HHAP fiscal reports.
- **Regionally Coordinated Homelessness Action Plan Key Action Updates or Additions:** Regions may need to amend existing Key Actions in their HHAP 6 Regionally Coordinated Action Plans, or add new Key Actions, to connect all HHAP 7 Funding Plan activities with at least one Key Action. HCD will provide access to all regions' approved HHAP 6 Regionally Coordinated Homelessness Action Plans to allow them to amend or add Key Actions.
- **Met All Requirements to Receive the Second Disbursement of HHAP 5:** Each administrative entity must have met all requirements to receive the second disbursement of HHAP 5 funds, including completion of the update to the HHAP 5 Regionally Coordinated Homelessness Action Plan. HCD will verify the administrative entities that have met these requirements through HHAP monitoring and compliance, including analyzing fiscal and annual reports, CA SPMs progress, HDIS compliance data, providing technical assistance (if necessary), and monitoring HCD-approved HHAP 5 Alternative Disbursement Plans pursuant to HSC section 50235(i)(3).

- **Obligated No Less Than 50 Percent of HHAP 6:** Each administrative entity must have contractually obligated not less than 50 percent of the total HHAP 6 award, or if the expenditure deadline pursuant to HSC section 502429(m) has passed, then the recipient must have had any remaining HHAP 6 funds reallocated in accordance with HSC section 50239(i). HCD will substantiate this requirement is met through HHAP 6 fiscal reports submitted by the administrative entity to HCD.
- **Good Standing on All Reporting Requirements:** Grantees must be in good standing on all HHAP reporting requirements, including fiscal reporting and Homeless Management Information System reporting, for prior rounds.

2. Requirements for Grantees that are Cities and Counties

- **Housing Element Compliance:** Each Large City and county Grantee must have a compliant housing element as defined in GC section 65589.9 before they may receive their HHAP 7 initial disbursement. The housing element requirement does not apply to CoCs. If a Large City or county Grantee does not have a compliant housing element, the Department shall hold the disbursement of the Large City or county allocation until its housing element is found compliant. HCD will verify compliance with this requirement internally, through HCD's Housing Accountability Unit. Grantees can check their jurisdiction's housing element compliance status by checking the [Housing Element Review and Compliance Report](#).
- **Compliant Encampments Policy:** Grantees' policies to address encampments must comply with the [Cal ICH Guidance on Addressing Encampments](#), if the Grantee is a city or county, demonstrated through one of the following:
 - Adoption of a local ordinance or administrative policy consistent with state guidance.
 - Submission of documentation that demonstrates, to the Department's satisfaction, that the city or county's practices are consistent with state guidance.

HCD will verify that city and Grantees' policies are compliant with Cal ICH's guidance by reviewing all submitted documentation, consulting with Cal ICH, and determining whether the Grantee has met this requirement. HCD and Cal ICH will provide technical assistance to grantees whose policies do not fully comply with Cal ICH's guidance.

3. Requirements for the 14 HHAP-Eligible Cities and the 11 Counties in Which These Cities are Located

These requirements apply to the allocations for all 25 jurisdictions regardless of the administrative entity:

- **Prohousing Designation:** Cities that are HHAP Grantees, and the counties in which these cities are located, must obtain and maintain a Prohousing Designation at the time of disbursement. If a city or has not obtained the Prohousing Designation, it shall obtain it no later than 12 months from the initial disbursement. Failure to obtain the Prohousing Designation by that date shall result in the Grantee's unspent funds being reallocated to other eligible grantees within the same region. Additional guidance on this requirement is in [Section V.E.3 "Prohousing Designation."](#)
- **35-Percent Local Match:** Cities that are HHAP Grantees, and the counties in which these cities are located, must demonstrate they will provide qualifying match funds equal to or greater than 35 percent of their total program allocation. Additional guidance on this requirement is in [Section V.E. "Additional Guidance for the 25 Grantees that are Cities and the Counties in Which These Cities are Located."](#)
- **HHAP 7 Initial Disbursement 100 Percent Expenditure Deadline:** In accordance with HSC section 50242(n)(2), on or before December 31, 2032, a recipient shall return to the Department any initial HHAP 7 funds that have not been expended, to be reallocated in accordance with HSC section 50239(i).

D. HHAP 7 Second Disbursement

1. General Requirements

HSC section 50242(o) includes the requirements grantees must meet to be eligible to receive the second disbursement of HHAP 7. The table below details the accountability measures required to be met to receive the second disbursement of HHAP 7, and the entities to which they apply. Following the table are descriptions of each accountability measure.

Accountability Measure Required for Second Disbursement	HHAP 7 Eligibility Criteria - Regional Requirement and Administrative Entity Requirements		
	14 Large Cities + 11 Counties in Which they are Located	All Other Counties	CoCs
Completed All Key Actions Related to HHAP 6 Funding in the Regionally Coordinated Homelessness Action Plan	Must be updated as a HHAP Region		
Progress on Addressing Encampments	Must be updated as a HHAP Region		
Demonstrated Improvement on at Least Half of CA SPMs	Must be met by the Administrative Entity		
Obligated 75% and	Must be met by the Administrative Entity		

Expended 50% of Initial HHAP 7 Disbursement		
Good Standing on All Reporting Requirements	Must be met by the Administrative Entity	
Housing Element Compliance	Must be met by each City and County	Does Not Apply to CoCs
Compliant Policy to Address Encampments	Must be met by each City and County	Does Not Apply to CoCs
Prohousing Designation Obtained	Must be met by each of the 14 Cities and 11 Counties	Does Not Apply to Other Counties or CoCs
Demonstrating 70% of Qualifying Local Match	Must be met by each of the 14 Cities and 11 Counties	Does Not Apply to Other Counties or CoCs

- **HHAP 6 Key Action Completion:** Regions must have completed all key actions related to their HHAP 6 funding in the Round 6 Regionally Coordinated Homelessness Action Plan. HCD will verify the region has met this requirement has been met through Annual Reports, fiscal reports, and may require a supplemental report.
- **CA SPM Improvement:** Grantees must have demonstrated improvement on at least half of the CA SPMs from calendar year 2026. HCD will verify this requirement has been met by each administrative entity through quarterly CA SPM data provided by Cal ICH.
- **Required Fiscal Progress:** Each administrative entity must have contractually obligated not less than 75 percent and expended not less than 50 percent of their HHAP 7 initial disbursement. HCD will substantiate this requirement is met through HHAP 7 fiscal reports submitted by the administrative entity to HCD.
- **Progress Addressing Encampments:** Regions must update the HHAP 6 Regionally Coordinated Homelessness Action Plan showing progress on addressing encampments in the region. This includes:
 - Actions taken to resolve the initial encampments identified in HHAP 6;
 - Identification of any new encampments, along with a lead entity, timeline, and plan to address these encampments; and
 - Actions taken to prevent unsheltered homelessness and reduce the pipeline into encampments.

HCD will provide a supplemental form for each region to provide responses and meet this requirement.

- **Good Standing on HHAP Reporting:** Grantees must be in good standing on all reporting requirements, including fiscal reporting and Homeless Management

Information System reporting, for prior rounds.

2. Requirements for Grantees that are Cities and Counties

- **Compliant Encampment Policy:** Grantees' policies to address encampments must comply with [Cal ICH's May 20, 2025 Guidance on Addressing Encampments](#), if the grantee is a city or county, demonstrated through one of the following:
 - Adoption of a local ordinance or administrative policy consistent with state guidance.
 - Submission of documentation that demonstrates, to the Department's satisfaction, that the city or county's practices are consistent with state guidance.

HCD will verify that city and grantees' policies are compliant with Cal ICH's guidance by reviewing all submitted documentation, consulting with Cal ICH, and determining whether the grantee has met this requirement. HCD and Cal ICH will provide technical assistance to grantees whose policies do not fully comply with Cal ICH's guidance.

- **Housing Element Compliance:** Each Large City and county Grantee must have a compliant housing element as defined in GC section 65589.9 before they may receive their HHAP 7 second disbursement. The housing element requirement does not apply to CoCs. If a Large City or county Grantee does not have a compliant housing element, the Department shall hold the disbursement of the Large City or County allocation until its housing element is found compliant. HCD will verify compliance with this requirement internally, through HCD's Housing Accountability Unit. Grantees can check their jurisdiction's housing element compliance status by checking the [Housing Element Review and Compliance Report](#).

3. Requirements for the 14 HHAP-Eligible Cities and the 11 Counties in Which These Cities are Located

These requirements apply to the allocations for all 25 jurisdictions regardless of the administrative entity:

- **Prohousing Designation:** Cities that are HHAP Grantees, and the counties in which these cities are located, must obtain and maintain a Prohousing Designation at the time of disbursement. Additional guidance on this requirement is in [Section V.E.3 "Prohousing Designation."](#)
- **70 Percent Local Match:** Cities that are HHAP grantees, and the counties in which these cities are located, must demonstrate the availability, over the full grant period, of qualifying matching funds equal to not less than 70 percent of their total program allocation. This 70 percent includes the 35 percent required to receive their HHAP 7 initial disbursement and an additional 35 percent in

qualifying matching funds. Additional guidance on this requirement is in [Section V.E. “Additional Guidance for the 25 Grantees that are Cities and the Counties in Which These Cities are Located.”](#)

4. Corrective Action Plans

If the Department concludes that a Grantee in the region did not meet all of the above requirements, made insufficient progress on key actions, or failed to adequately improve on at least one-half of the region’s CA SPMs, based on most recent CA SPM data available, the Department may require the Grantee to provide a corrective action plan to the update to the Regionally Coordinated Homelessness Action Plan and/or funding plans to address these findings.

The Grantee shall accomplish these changes or submit a corrective action plan, as applicable, within 30 days of being notified by the Department.

The Department has 30 days to review the changes or corrective action plan, as applicable, to determine if the grantee 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.

The Department may withhold the remaining 50 percent of funds from a Grantee until the Department has found the update to the HHAP 6 Regionally Coordinated Homelessness Action Plan or the corrective action plan satisfactory. The Department shall provide technical assistance and support regions’ efforts to comply with the requirements.

Regions are also encouraged to update their memorandums of understanding to reflect the update to their Regionally Coordinated Homelessness Action Plan approved pursuant to HSC section 50242(h)(6). 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.

5. HHAP 7 Second Disbursement 100 Percent Expenditure Deadline:

On or before December 31, 2033, a recipient shall return to the Department any HHAP 7 funds that have not been expended pursuant to HSC section 50242(o)(3), to be reallocated in accordance with HSC section 50239(i).

E. Additional Guidance for the 25 Grantees that are Cities and the Counties in Which These Cities are Located

1. Demonstrating qualifying local match:

Concurrent with the publishing of this amended NOFA, HCD will publish on the [HHAP website](#) the HHAP 7 Verification of Match Commitment Form that Grantees must submit detailing the qualifying match sources they are contributing to meet the requirements to receive the initial and second disbursements of HHAP 7.

Pursuant to HSC section 50242(n)(1)(G)(ii), “qualifying matching funds” means any funding that is dedicated to activities that expand the supply of housing affordable to people experiencing homelessness or at risk of homelessness, or that prevent and end homelessness, including, but not limited to, any of the following:

- 1) A dedicated local or regional funding source for homelessness, including funds or in-kind resources used for affordable housing development, housing-related infrastructure, rental assistance or operating subsidies, or supportive services.
- 2) A new local or regional funding source dedicated to preventing and ending homelessness.
- 3) Impact fee deferrals or impact fee waivers that reduce the cost of developing housing affordable to people experiencing homelessness or at risk of homelessness. Those quantifiable contributions may include, but are not limited to, the waiver, reduction, or deferral of fees imposed by the local agency for a development project, as defined in GC section 66000, but not those fees exempted for a project under GC section 65915.
- 4) The value of land donations or philanthropic contributions used to support housing, shelter, clinics, or other activities related to housing or servicing people currently or formerly experiencing homelessness for the purpose of maintaining housing stability.
- 5) Local government contributions in the form of rental assistance or other permanent or interim housing or supportive services.
- 6) Local government use of state-originated sources, including, but not limited to, the Behavioral Health Services Act, the Permanent Local Housing Allocation Program, the Homekey Program, the Community Care Expansion Program, and Behavioral Health Bridge Housing Program. Use of these funds to meet the match is limited to activities that support permanent or interim housing and supportive services for people at risk of, or experiencing, homelessness.
- 7) Sources set forth in HSC section 50240(c)(3)(D) other than federally funded programs and this program.
- 8) Any other eligible sources contained in guidance issued by the Department.

2. Calculating In-Kind Match Values

Guidance for Grantees on calculating in-kind match values is included in the HHAP 7 Verification of Match Commitment Guidance available on the [HHAP website](#), and published in concurrence with this amended NOFA. HCD will not require documentation of the Grantee’s calculation methodologies; however, the grantee should maintain this documentation as part of the record retention requirement outlined in NOFA [Section VI.F “Records Retention Requirement”](#) and in their HHAP 7 standard agreement with HCD.

3. Prohousing Designation

HCD is prioritizing Prohousing Designation applications from HHAP grantees that are cities, and the counties in which those cities are located. Pursuant to HSC section 50242(n)(1)(E)(ii), HCD will process Prohousing Designation applications from Grantees on an expedited timeline:

- Within 30 days of receipt of the application, HCD shall either approve the application or respond to the applicant with options the applicant can complete to obtain approval. HCD will provide technical assistance to help Grantees meet the requirements to obtain the Prohousing Designation.
- HCD shall respond to each subsequent submission by the applicant within 30 days by either approving the application or providing additional technical assistance to help the jurisdiction meet the criteria to obtain the designation.

HCD encourages Grantees to contact HPDHomelessnessGrants@hcd.ca.gov when ready to begin the Prohousing Designation application to be connected with technical assistance from the Prohousing Designation Program staff. HCD will verify whether a jurisdiction has obtained the Prohousing Designation internally, as HCD is the entity that awards Prohousing Designations. Grantees can check their compliance with this requirement by checking the list of [Prohousing Designated Jurisdictions](#), and can check the status of their [Prohousing Designation Application Tracker](#).

Grantees can find all Prohousing Designation Program materials at the following links:

- [Website](#)
- [Application and Regulations](#)
- [Frequently Asked Questions](#)

VI. MONITORING, DOCUMENTATION, AND REPORTING

Administrative Entities must be able to demonstrate that HHAP 6 funds were expended for eligible uses. HCD will include additional information on monitoring and reporting requirements in the Standard Agreement executed prior to distribution of HHAP 6 funds to each CoC, large city, and county. In addition to HCD monitoring and reporting requirements, it is expected that CoCs, Large Cities, and counties will provide direct oversight of subrecipients of HHAP 6 funds and ensure that subrecipients comply with HHAP 6 program requirements. HCD may request the repayment of funds or pursue any other remedies available, at law or in equity, for failure to comply with reporting requirements.

A. Reporting

Grantees are required to submit **monthly** fiscal reports, ~~must submit~~ annual reports, and a final report after the end of the grant period. **Guidance on how grantees submit fiscal, annual, and final reports is provided on the [Reporting and Compliance page of the HHAP website](#).** HCD will reach out to Grantees with guidance on how to submit monthly and annual reports.

In addition to the monthly and annual reports, described below, the Grantee shall submit to HCD all other reports, updates, and information that HCD deems necessary to monitor compliance and/or perform program evaluation. Any requested data or information shall be submitted in a form and manner provided by HCD.

1. FiscalMonthly Reports

HHAP recipients must submit a monthly fiscal report to include obligations and expenditures in each eligible use category. Expenditures and obligations should align with those approved in the application.

Beginning September 1, 2026, pursuant to an amendment to HSC section 50223(a)(2), Grantees may submit a fiscal report up to monthly, but no less than quarterly. Quarterly Reports are due every January, April, July and October. Grantees may choose to submit a fiscal report between quarterly due dates to substantiate meeting the fiscal milestones required to become eligible to receive the initial or second disbursement of HHAP 7 or prior rounds.

2. Annual Reports and Final Reports

Per Health and Safety Code sections 50221 and 50222, all recipients of HHAP funds are required to submit an annual report every April 1 on activity through the prior calendar year and must include the following data components:

- Detailed description of activities with obligated and expended funds by eligible use category
- Progress and status updates on HHAP Regional Homeless Action Plan commitments
- Other highlights and accomplishments and notable quantifiable outcomes

The HHAP 6 and 7 Final Reports shall be required in lieu of the last annual report for each round and shall follow the requirements of Health and Safety Code sections 50221, 50222, and 50223.

3. Person-Served Reporting

HCD will make efforts to use the statewide Homeless Data Integration System (HDIS) data, specifically the data entered by Grantees under their AB 977 requirements described below, and provided by CoCs via quarterly uploads from HMIS, to fulfill the following annual and final report requirements. However improper reporting into that system may require HCD to seek additional final report information directly from Grantees:

- The total number of individuals, as well as homeless individuals, served in each year of the program and total for the program overall.
- Aggregate outcome data for individuals served using program funds, including all of the following:
 - The type of housing that the individuals exited to including whether the housing is permanent or interim.

- The percentage of successful housing exits.
- Exit types for unsuccessful housing exits.
- The types of housing assistance provided, including, but not limited to, permanent or interim housing, broken out by the number of individuals served.
- Progress towards the CA SPMs, including demographic equity analysis.

B. Budget Modifications

Grantees may revise their approved budgets on file with HCD through a budget modification when there is any change in proposed activities. Grantees must receive HCD approval for all budget modifications. Grantees may request a budget modification at any time using the [HHAP Budget Modification Form](#).

C. Reallocation of Unexpended HHAP Awards

HSC section 50239(i) establishes a new reallocation process for funds that were not fully expended by any expenditure deadline for any prior round of HHAP. If a Grantee fails to meet an expenditure deadline for any prior round of the program, then after technical assistance is provided by HCD and the Grantee has the opportunity to correct any accounting or reporting errors, HCD may reduce that Grantee's future allocation in an amount equal to the unspent funds, in lieu of that Grantee returning the unexpended funds. HCD will reallocate funds in a subsequent NOFA.

The 100 percent expenditure deadlines for HHAP rounds 1, 2, and 3 have passed as of the publishing of this amended NOFA, and the unexpended funds from these rounds will be reallocated by HCD in the HHAP 7 allocations. HCD anticipates publishing HHAP 7 allocations in September 2026 for Grantees to build their HHAP 7 budget plans.

HCD shall reallocate the unexpended funds to other eligible Grantees in the same region unless no such applicant or Grantee exists, in which case HCD shall reallocate funds as a bonus among counties that have achieved a Prohousing Designation.

Refer to [Appendix C](#) for more information on the HHAP allocation and reallocation methodologies.

D. HHAP Round 6 Fiscal Deadlines

1. June 2027 Obligation and Expenditure Requirement

Pursuant to HSC section 50242(i), ~~a~~All Grantees must submit confirmation that no less than 75 percent of their initial Round 6 program allocations have been contractually obligated and that no less than 50 percent of initial Round 6 program allocations have been expended by June 30, 2027. This is also one of the requirements for Grantees to receive the remaining 50 percent of their total HHAP 6 allocation.

2. Failure to meet the second disbursement requirements by December 2028 will result in the second disbursement being reallocated to other Grantees

Pursuant to HSC **section** 50242(i)(3), if a Grantee does not meet the expenditure requirements detailed in VI.~~GD~~.1 above, along with the other requirements necessary to receive their second disbursement of HHAP 6 funds, on or before December 31, 2028, Grantees will forfeit their second disbursement and must return **to HCD any funds that have not been expended to be reallocated in accordance with Section VI.C., “Reallocation of Unexpended HHAP Awards.” any unspent funds from their initial disbursement, to be re-allocated as supplemental awards by the Department.**

3. Final Expenditure Requirement: Grantees must fully expend all HHAP 6 funds by June 30, 2029

All Grantees must submit confirmation that 100 percent of Round 6 program funds have been expended by June 30, 2029. Any remaining amounts not expended by that date ~~will be returned to the state’s General Fund~~ shall be returned to HCD for reallocation in accordance with Section VI.C., “Reallocation of Unexpended HHAP Awards.”

E. HHAP Round 7 Fiscal Deadlines

1. December 31, 2032 Expenditure Requirement

All Grantees must submit confirmation that 100 percent of the Round 7 Initial Disbursement was fully expended on or before December 31, 2032. A Grantee shall return to the Department any Round 7 initial disbursement funds that have not been expended on or before December 31, 2032, to be reallocated in accordance with Section VI.C., “Reallocation of Unexpended HHAP Awards.”

2. December 31, 2033 Expenditure Requirement

All Grantees must submit confirmation that 100 percent of the Round 7 Second Disbursement was fully expended on or before December 31, 2033. A Grantee shall return to the Department any Round 7 second disbursement funds that have not been expended on or before December 31, 2033, to be reallocated in accordance with Section VI.C., “Reallocation of Unexpended HHAP Awards.”

F. Records Retention Requirement

The Grantee must retain all documentation pertaining to performance of the grant for a minimum period of five years after the final expenditure deadline. If any litigation, claim, negotiation, audit, monitoring, inspection, or other action has been commenced before the expiration of the required record retention period, all records must be retained until completion of the action and resolution of all issues which arise from it.

HCD or its designee has the right to review, obtain, and copy all records and supporting documentation pertaining to performance under the Standard Agreement. The Grantee agrees to provide HCD, or its designee, with any relevant information requested to give HCD or its designee access to its premises, upon reasonable notice and during normal business hours, for the purpose of interviewing employees who might reasonably have information related to such records, and of inspecting and copying such books, records, accounts, and other materials that may be relevant to an investigation of compliance with HHAP Program laws, guidance, and the Standard Agreement.

If upon inspection of records HCD identifies noncompliance with grant requirements, HCD retains the right to impose a corrective action plan on the Grantee.

G. Other Requirements

1. Reporting into Homeless Management Information System (HMIS)

Pursuant to Assembly Bill (AB) 977 (Statutes of 2021), Grantees who have been awarded HHAP funding must enter Universal and Common Data Elements as defined by HUD on the individuals and families served into the local HMIS. All Grantees agree to set up HMIS projects in alignment with the instructions provided by HCD and to participate and enter data on individuals and families served by this funding into the local HMIS. HSC section 50220.6 details specifications related to the data elements that must be reported. Technical assistance is available from the California Interagency Council on Homelessness (Cal ICH), in coordination with HCD, to Grantees that need support in meeting these requirements. Grantees are required to ensure any subrecipients of their HHAP funding adhere to these HMIS reporting requirements.

HCD will make efforts to utilize statewide HMIS data, aggregated into the Homeless Data Integration System (HDIS) maintained by Cal ICH to fulfill Grantee reporting requirements, however improper reporting into that system may require HCD to seek additional information directly from Grantees. Grantees may also be required to accept training and technical assistance in this area if their HMIS/HDIS is not properly tracked and shared.

2. Housing First Requirement

All recipients of HHAP 6 must comply with Housing First as provided in Chapter 6.5 (commencing with Section 8255) of Division 8 of the Welfare and Institutions Code.

Housing First is an evidence-based, client-centered approach that recognizes housing as necessary to make other voluntary life changes, such as seeking treatment or medical care. The goal of Housing First is to provide housing to individuals and families quickly with as few obstacles as possible, along with voluntary support services according to their needs.

Required core components of Housing First include:

- 1) Tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services.
- 2) Applicants are not rejected on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness.”
- 3) Acceptance of referrals directly from shelters, street outreach, drop-in centers, and other parts of crisis response systems frequented by vulnerable people experiencing homelessness.

- 4) Supportive services that emphasize engagement and problem solving over therapeutic goals and service plans that are highly tenant-driven without predetermined goals.
- 5) Participation in services or program compliance is not a condition of permanent housing tenancy.
- 6) Tenants have a lease and all the rights and responsibilities of tenancy, as outlined in California's Civil, Health and Safety, and Government codes.
- 7) The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction.
- 8) In communities with coordinated assessment and entry systems, incentives for funding promote tenant selection plans for supportive housing that prioritize eligible tenants based on criteria other than "first-come-first-serve," including, but not limited to, the duration or chronicity of homelessness, vulnerability to early mortality, or high utilization of crisis services. Prioritization may include triage tools, developed through local data, to identify high-cost, high-need homeless residents.
- 9) Case managers and service coordinators who are trained in and actively employ evidence-based practices for client engagement, including, but not limited to, motivational interviewing and client-centered counseling.
- 10) Services are informed by a harm-reduction philosophy that recognizes drug and alcohol use and addiction as a part of tenants' lives, where tenants are engaged in nonjudgmental communication regarding drug and alcohol use, and where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, as well as connected to evidence-based treatment if the tenant so chooses.
- 11) The project and specific apartment may include special physical features that accommodate disabilities, reduce harm, and promote health and community and independence among tenants.

3. Annual Reporting on Homeless Shelter Inspections

Chapter 22, Statutes of 2025 (AB 130), sections 33-36 added HSC sections 17974-17974.6 related to homeless shelter inspection and reporting requirements. See [Appendix A](#). HHAP Grantees and their subcontractors that operate or fund homeless shelters must comply with all inspection, reporting, and corrective action requirements as detailed in HCD's [Information Bulletin 2025-02](#). You may visit the [HCD Homeless Shelter Inspection Reporting Requirements](#) website and reference the [Annual Homeless Shelter Inspection Frequently Asked Questions](#) for more information.

Although all homeless shelters are subject to the AB 130 inspection and reporting requirements, for the purpose of this NOFA, HHAP Grantees shall ensure that all homeless shelters receiving HHAP funds are subject to local annual inspections, that any identified violations are corrected within the timeframes prescribed by HSC section

17974.2(b), and that documentation of compliance is maintained and made available upon request.

In accordance with HSC section 17974.5, each city and county must report annually by April 1 to HCD all the following information:

- 1) The number of complaints received by the jurisdiction, pursuant to HSC section 17920.3, including if the jurisdiction did not receive any complaints.
- 2) Any pending uncorrected violations determined by the jurisdiction, pursuant to HSC section 17974.1. This should include, as applicable, the date the violation notice was provided to the owner/operator, the name of the owner or operator, the name of the homeless shelter, and the address of the homeless shelter.
- 3) Any determinations by the jurisdiction that conditions exist or existed that make or made the homeless shelter dangerous, hazardous, imminently detrimental to life or health, or otherwise render the homeless shelter unfit for human habitation. This should include, as applicable, the date the violation notice was provided to the owner/operator, the name of the owner or operator, the name of the homeless shelter, and the address of the homeless shelter.
- 4) A list of any emergency orders issued pursuant to HSC section 17974.1(c)(3).
- 5) A list of any owners or operators who received three or more violations within any six-month period.
- 6) A list of corrected violations from the prior year. This should include, as applicable, the date the violation notice was provided to the owner/operator, the name of the owner or operator, the name of the homeless shelter, the address of the homeless shelter, and the date the violation was corrected.

Grantees must restrict HHAP funding for operations to shelters with unresolved violations as detailed in HSC section 17974.4; however, Grantees may still permit the use of state funding if being used to address violations. Additionally, HCD may restrict state funding for operations to shelters with unresolved violations. HCD may deem the owner or operator of a shelter ineligible for state funding for shelter operations for unresolved violation(s) noted in the annual report. The use of state funding may still be permissible if being used to address violations.

Jurisdictions that fail to submit annual reports pursuant to the AB 130 shelter inspection and reporting requirement or take required actions to correct a violation cannot receive state funding. HCD may deem those jurisdictions eligible again to receive funds after the jurisdiction complies with both the annual reporting requirement by submitting an annual report to HCD and the requirement to take action to correct all homeless shelter violations.

Pursuant to HSC section 17974.3, HCD may take action to enforce the requirements in division 13, part 1.5, chapter 5, Article 2.3 (Inspection of Homeless Shelters), pursuant to the California Code of Civil Procedure section 1085, and HCD may be entitled to recover reasonable attorney fees and costs.

H. Legal Documents

Upon the award of HHAP funds, HCD shall enter into Standard Agreements with Grantees that govern how HHAP funds must be spent. These agreements shall ensure adherence to the objectives and requirements of the HHAP 6 program, and compliance with all relevant laws. No award shall be disbursed until the Standard Agreement is signed by both the Grantee and HCD and is fully executed.

VII. RESOURCES AND CONTACT INFORMATION

Additional information including the HHAP Program Guidance can be found on HCD's HHAP website: <https://www.hcd.ca.gov/grants-and-funding/programs-active/homeless-housing-assistance-and-prevention-grant-program>.

If you have questions, please direct them to the HCD homelessness grants inbox at hphomelessnessgrants@hcd.ca.gov.

VIII. APPENDICES

Appendix A: HHAP Statute

Health and Safety Code – HSC

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

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 round 6.

(2) Nine hundred million dollars (\$900,000,000) in the 2026–27 fiscal year for implementation of round 7 to be administered as additional disbursements of round 6 consistent with Section 50242 and through an amendment to the round 6 notice of funding availability.

(3) Further amounts as the Legislature may appropriate to the program in the future, or as may be recaptured by the department from prior rounds pursuant to subdivision (i).

(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).

(i) (1) If a grantee fails to meet an expenditure deadline for any prior round of the program, then after technical assistance is provided and the opportunity to correct any accounting or reporting errors, the department may reduce that grantee's future allocation in an amount equal to the unspent funds, in lieu of seeking cash repayment.

(2) (A) Funds recaptured pursuant to paragraph (1) shall be reallocated by the department in a subsequent notice of funding availability consistent with the most recent statutory provisions of this program.

(B) The department shall reallocate the funds to other eligible applicants in the same region unless no such applicant exists, in which case the department shall reallocate the funds as a bonus among recipients that have achieved a prohousing designation.

(Amended by Stats. 2026, Ch. 68, Sec. 13. (AB 179) Effective July 13, 2026.)

50240.

(a) To be eligible for a round 6 base program allocation, a jurisdiction that is not a tribe must apply as part of a region and must be signatory to a round 6 regionally coordinated homelessness action plan that has been approved by the department. An update to the round 5 plan may constitute a round 6 regionally coordinated homelessness action plan.

(b) The department shall approve a round 6 regionally coordinated homelessness action plan when the department determines that the plan meets all of the requirements of this section.

(c) The round 6 regionally coordinated homelessness action plan shall include all of the following components:

(1) Identification and analysis of the specific roles and responsibilities of each participating jurisdiction in the region regarding outreach and site coordination, siting and use of available land, the development of shelter, interim, and permanent housing options, and the coordination and connection to the delivery of services to individuals experiencing homelessness, or at risk of experiencing homelessness, including specifying roles and coordination plans in relation to Mental Health Services Act or Behavioral Health Services Act, within the region. The plan may also include roles and responsibilities of small jurisdictions in the region that elect to engage and collaborate on the plan.

(2) Most recent system performance measures for the region, which shall include all of the following:

(A) The number of people experiencing homelessness who are accessing services.

(B) The number of people experiencing unsheltered homelessness on a single night.

(C) The number of people experiencing homelessness who are accessing services for the first time in the past two years.

(D) The number of people exiting homelessness into permanent housing.

(E) The average length of time that people experienced homelessness while accessing services.

(F) The percentage of people who return to homelessness within 6 months of exiting the homelessness response system to permanent housing.

(G) The number of people with successful placements into shelter, interim, or permanent housing from street outreach.

(3) For each of the system performance measures set forth in paragraph (2), applicants shall also track demographic data with respect to age, gender, race, and ethnicity.

(4) A system performance and improvement plan, which shall include a description of key actions the region intends to take to improve the system performance measures described in paragraph (2). The system performance and improvement plan may also include key actions of small jurisdictions in the region that elect to engage and collaborate in the regionally coordinated homelessness action plan. In naming key actions in the system performance and improvement plan, a region will identify all of the following:

(A) The lead entity on the key action and collaborating entities partnering to achieve the key action.

(B) A timeframe for steps and completion of each key action.

(C) The methods of measuring the success of each key action and related system performance measures that will demonstrate success of the key action.

(D) An explanation of how each participating jurisdiction is utilizing local, state, and federal funding programs as key actions to improve the system performance measures, including, but not limited to, all of the following:

(i) The Homekey program, as described in Section 50675.1.1.

(ii) The No Place Like Home Program (Part 3.9 (commencing with Section 5849.1) of Division 5 of the Welfare and Institutions Code).

(iii) The Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2).

(iv) The Housing for a Healthy California Program (Part 14.2 (commencing with Section 53590)).

(v) The Homeless Housing, Assistance, and Prevention program (Chapter 6 (commencing with Section 50216)). All items currently being funded through rounds 1 through 4, inclusive, pursuant to the Homeless Housing, Assistance, and Prevention program (Chapter 6 (commencing with Section 50216)) and round 5 pursuant to round 5 of the Homeless Housing, Assistance, and Prevention program (Article 1 (commencing with Section 50232)), and those items proposed to be funded by round 6 pursuant to this article must be included as key actions. If an item proposed to be funded under the rounds will not lead to improvement of the system performance measures described in paragraph (2), it is not an eligible use of funding pursuant to those rounds.

(vi) Funding distributed to local jurisdictions pursuant to subparagraph (B) of paragraph (2) of subdivision (b) of Section 50470.

(vii) The California Emergency Solutions Grants Program (Chapter 19 (commencing with Section 50899.1) of Part 2).

(viii) The National Housing Trust Fund established pursuant to the Housing and Economic Recovery Act of 2008 (Public Law 110-289), and implementing federal regulations.

(ix) HOME Investment Partnerships Act (Chapter 16 (commencing with Section 50896)).

(x) Parolee or probation programs that are intended to prevent homelessness upon release.

(xi) CalWORKs (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code).

(xii) CalFresh (Chapter 10 (commencing with Section 18900) of Part 6 of Division 9 of the Welfare and Institutions Code).

(xiii) Supplemental Security Income/State Supplemental Program (SSI/SSP) (Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code and Chapter 3 (commencing with Section 12000) of Part 3 of Division 9 of the Welfare and Institutions Code) and the Cash Assistance Program for Immigrants (CAPI) pursuant to Chapter 10.3 (commencing with Section 18937) of Chapter 10.3 of Part 6 of Division 9 of the Welfare and Institutions Code.

(xiv) In-home supportive services.

(xv) Adult protective services.

(xvi) Child welfare.

(xvii) Child care and development.

(xviii) Disability benefits advocacy.

(xix) Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code).

(xx) Mental Health Services Act and Behavioral Health Services Act.

(E) A description of how the key actions will ensure racial and gender equity in service delivery, housing placements, and housing retention and changes to procurement or other means of affirming racial and ethnic groups that are

overrepresented among residents experiencing homelessness have equitable access to housing and services.

(F) A list of encampments within the region and plans to address these encampments in support of reducing unsheltered homelessness.

(G) (i) A policy for addressing encampments that is consistent with the California Interagency Council on Homelessness' May 20, 2025, Guidance: Addressing Encampments.

(ii) Participating jurisdictions may adopt policies or ordinances that differ from the model encampment ordinance referenced in the guidance as one example of a compliant approach so long as they remain consistent with the guidance.

(d) Participating jurisdictions shall collaborate to complete the regionally coordinated homelessness action plan and shall engage in a public stakeholder process that includes at least three public meetings before completing the plan.

(e) The participating jurisdictions shall invite and encourage all of the following to engage in the public stakeholder process:

(1) People with lived experience of homelessness.

(2) Youth with lived experience of homelessness.

(3) Local department leaders and staff of qualifying small jurisdictions, including child welfare, health care, behavioral health, justice, and education system leaders.

(4) Homeless service and housing providers, including non-profit developers of permanent supportive housing, working in that region.

(5) Each Medi-Cal Managed Care Plan contracted with the State Department of Health Care Services in the region.

(6) Street medicine providers and other providers directly serving people experiencing homelessness or at risk of homelessness.

(7) Federally recognized tribal governments pursuant to Section 4103 of Title 25 of the United States Code that are within the region.

(f) The regionally coordinated homelessness action plan shall be reflected in a memorandum of understanding committing each signatory to participation in, and to comply with, the regionally coordinated homelessness action plan.

(g) Smaller jurisdictions in the region may also sign the memorandum of understanding and commit to participation in, and compliance with, the regionally coordinated homelessness action plan. Counties are encouraged to allocate resources from program funding to smaller jurisdictions that participate in and commit to complying with the regionally coordinated homelessness action plan.

(h) Upon receipt of a proposed regionally coordinated homelessness action plan, the department shall review it in coordination with the council, the State Department of Health Care Services, and the State Department of Social Services.

(i) A qualifying jurisdiction participating in a regionally coordinated homelessness action plan shall post on its internet website the proposed, approved, and amended regionally coordinated homelessness action plan.

(j) 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 in determining whether the regional coordinated homeless action plan substantially complies with this article.

(Amended by Stats. 2026, Ch. 68, Sec. 14. (AB 179) Effective July 13, 2026.)

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 round 6 for implementing the program, and additional funding shall be made available for round 7, as follows:

(1) Not more than 80 percent of the round 6 funding available pursuant to this section shall be available to cities, counties, or continuums of care, for basic program allocations, and not more than 97 percent of round 7 funding available pursuant to this section shall be available to cities, counties, or continuums of care, for base 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 round 6 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.

(Amended by Stats. 2026, Ch. 68, Sec. 15. (AB 179) Effective July 13, 2026.)

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 round 6 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. The department shall offer technical assistance to the recipient. 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 round 6 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 round 6 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 reallocated in accordance with subdivision (i) of Section 50239.

(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.

(l) 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 be returned to the department for reallocation in accordance with subdivision (i) of Section 50239.

(n) (1) The department shall disburse 50 percent of an eligible city's, county's, or continuum of care's total round 7 program allocation pursuant to subdivision (a) of Section 50241 upon a determination that the eligible city, county, or continuum of care has met all of the following requirements:

(A) Provided a detailed proposal for how the applicant intends to use the full round 7 program allocations that complies with Section 50243.

(B) Met all requirements to receive the second disbursement of round 5 funds pursuant to subdivision (i) of Section 50235, including completion of the update to the round 5 regionally coordinated homelessness action plan pursuant to subdivision (h) of Section 50235.

(C) Contractually obligated not less than 50 percent of the total round 6 award, or if the expenditure deadline pursuant to subdivision (m) has passed, then the recipient must have had any remaining round 6 funds reallocated in accordance with subdivision (i) of Section 50239.

(D) 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 has a compliant housing element, consistent with paragraph (2) of this subdivision.

(E) (i) (I) Recipients that are cities, and the counties in which those cities are located, shall obtain and maintain a prohousing designation at the time of disbursement.

(II) If the city or county has not obtained the prohousing designation prior to the allocation of round 7 funds, it shall obtain the designation no later than 12 months from the initial disbursement.

(III) If the city or county fails to obtain the prohousing designation by that date, any unspent program funds that would have otherwise been allocated to that jurisdiction may be reallocated by the department to other eligible direct recipients within the same region as described in subparagraph (E) of paragraph (1) of subdivision (o).

(IV) For purposes of this clause, "prohousing designation" has the same meaning as described in Section 65589.9 of the Government Code.

(ii) The department shall process prohousing designation applications from recipients pursuant to the following timeline:

(I) Within 30 days of receipt of the application, the department shall either approve the application or respond to the applicant with options the applicant can complete to obtain approval and provide the applicant with technical assistance.

(II) The department shall respond to each subsequent submission by the applicant within 30 days by either approving the application or indicating which options from subclause (I) remain viable.

(F) (i) Complied with the California Interagency Council on Homelessness' May 20, 2025, Guidance: Addressing Encampments, if the recipient is a city or county, demonstrated through one of the following:

(I) Adoption of a local ordinance or administrative policy consistent with that state guidance.

(II) Submission of documentation that demonstrates, to the department's satisfaction, that the city or county's practices are consistent with that state guidance.

(ii) Participating jurisdictions may adopt policies or ordinances that differ from the model encampment ordinance referenced in the guidance as one example of a compliant approach so long as they remain consistent with the guidance.

(G) (i) Recipients that are cities, and the counties in which they are located, shall demonstrate that they will provide qualifying matching funds equal or greater than 35 percent of their total program allocation.

(ii) For the purposes of this section, "qualifying matching funds" means any funding that is dedicated to activities that expand the supply of housing affordable to people experiencing homelessness or at risk of homelessness, or that prevent and end homelessness, including, but not limited to, any of the following:

(I) A dedicated local or regional funding source for homelessness, including funds or in-kind resources used for affordable housing development, housing-related infrastructure, rental assistance or operating subsidies, or supportive services.

(II) A new local or regional funding source dedicated to preventing and ending homelessness.

(III) Impact fee deferrals or impact fee waivers that reduce the cost of developing housing affordable to people experiencing homelessness or at risk of homelessness. Those quantifiable contributions may include, but are not limited to, the waiver, reduction, or deferral of fees imposed by the local agency for a development project, as defined in Section 66000 of the Government Code, but not those fees exempted for a project under Section 65915 of the Government Code.

(IV) The value of land donations or philanthropic contributions used to support housing, shelter, clinics, or other activities related to housing or

servicing people currently or formerly experiencing homelessness for the purpose of maintaining housing stability.

(V) Local government contributions in the form of rental assistance or other permanent or interim housing or supportive services.

(VI) Local government contribution use of state-originated sources, including, but not limited to, the Behavioral Health Services Act, the Permanent Local Housing Allocation Program, the Homekey program, the Community Care Expansion Program, and Behavioral Health Bridge Housing Program. Use of these funds to meet the match is limited to activities that support permanent or interim housing and supportive services for people at risk of, or experiencing, homelessness.

(VII) Sources set forth in subparagraph (D) of paragraph (3) of subdivision (c) of Section 50240 other than federally funded programs and this program.

(VIII) Any other eligible sources, as defined in the notice of funding availability or other guidance issued by the department.

(iii) (I) The department shall post on its website the process for how recipients will demonstrate compliance with the matching fund requirement with reasonably sufficient time for program recipients to complete the process and receive their first round 7 disbursements, if otherwise eligible, by the target date of September 1, 2026. The post shall include instructions and a list of sources that the department has predetermined meet the definition of “qualifying matching funds” in accordance with this section.

(II) As part of the process for demonstrating compliance with the matching fund requirement, the department may require recipients to do any of the following:

(ia) Describe how the funds will be used to expand the supply of housing affordable to people experiencing homelessness or at risk of homelessness or that prevent and end homelessness.

(ib) Provide the anticipated timeframe the local fund administrator anticipates expending the funds or providing the in-kind resources.

(ic) Identify the specific budget, appropriation, or other funding action that authorizes or makes those funds available.

(III) As part of the process for demonstrating compliance with the matching fund requirement, the department shall count the total amount of known dollars or value of in-kind resources, identified by the recipient, secured or made available to spend from July 1, 2026, through December 31, 2033,

the final expenditure deadline for the remainder disbursement of round 7 funds.

(H) Be in good standing on all reporting requirements, including Homeless Management Information System reporting, for prior rounds.

(2) On or before December 31, 2032, a recipient shall return to the department any initial round 7 funds that have not been expended pursuant to this subdivision, to be reallocated in accordance with subdivision (i) of Section 50239.

(o) (1) The department shall disburse the second round 7 allocation pursuant to Section 50241 only after the recipient demonstrates all of the following:

(A) Completion of key actions related to round 6 funding committed to in the round 6 program application and regionally coordinated homelessness action plan pursuant to Section 50233.

(B) Improvement on at least one-half of the region's most recent system performance measures data pursuant to Section 50240 compared to the baseline data from the most recent calendar year when the program commences.

(C) Contractually obligated not less than 75 percent, and has spent not less than 50 percent, of the initial disbursement of round 7 program allocations, or if the expenditure deadline pursuant to paragraph (2) of subdivision (n) has passed, then any remaining initial round 7 funds shall be reallocated in accordance with subdivision (i) of Section 50239.

(D) 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) of this subdivision.

(E) (i) Recipients that are cities, and the counties in which those cities are located, shall obtain and maintain a prohousing designation from the department as a condition of receiving the second disbursement of funds.

(ii) A jurisdiction that has not obtained or maintained a prohousing designation is subject to the following conditions:

(I) Funds that would have otherwise been allocated to a jurisdiction that has not obtained or maintained a prohousing designation shall be redirected to another eligible city, county, or continuum of care within the same region that is able to administer the funds, to the extent such an entity exists. A county in which there is a city pursuant to subparagraph (B) of paragraph (1) of subdivision (a) of Section 50241 that has not obtained or maintained a prohousing designation shall not be eligible to receive or administer those

funds in any capacity, including as the administrative entity for the continuum of care, unless and until it obtains the prohousing designation.

(II) If no eligible recipient within the region is available to administer the funds, the department may make the second disbursement of funds to a recipient without the prohousing designation, subject to enhanced oversight, technical assistance, and any additional conditions or restrictions on the use of funds deemed necessary by the department.

(F) Maintains compliance with the state guidance on addressing encampments, consistent with subparagraph (F) of paragraph (1) of subdivision (n) of this section.

(G) (i) Recipients that are cities, and the counties in which they are located, shall demonstrate that they will provide qualifying matching funds.

(ii) After the initial disbursement of funds pursuant to subdivision (n), and as a condition of receiving a second disbursement of funds pursuant to this subdivision, a recipient shall demonstrate the availability, over the full grant period, of qualifying matching funds equal to not less than 70 percent of its total allocation, including the 35 percent matching funds required pursuant to subclause (I) of clause (i) of subparagraph (G) of paragraph (1) of subdivision (n) and an additional 35 percent in qualifying matching funds.

(H) Updated the round 6 regionally coordinated homelessness action plan showing all of the following:

(i) Actions taken to resolve the initial encampments identified in round 6.

(ii) Identification of any new encampments, along with a lead entity, timeline, and plan to address these encampments.

(iii) Actions taken to prevent unsheltered homelessness and reduce the pipeline into encampments.

(I) Be in good standing on all reporting requirements, including Homeless Management Information System reporting, for prior rounds.

(2) (A) (i) If the department finds that a grantee has not met all of the requirements in paragraph (1), the department may require the recipient to submit and obtain approval of a corrective action plan before receiving its disbursement.

(ii) The department may require the corrective action plan to include modifications to the recipient's proposed use of the round 7 funds or to the recipient's key actions as part of the regionally coordinated homelessness action plan pursuant to Section 50233.

(iii) The department shall offer technical assistance to the recipient.

(iv) 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 corrective action plan to determine if it addressed the department's concerns and approve the update, or to provide the grantee with additional guidance and a deadline for further amending the corrective action plan to address the department's concerns.

(3) On or before December 31, 2033, a recipient shall return to the department any round 7 funds that have not been expended pursuant to this subdivision, to be reallocated in accordance with subdivision (i) of Section 50239.

(Amended by Stats. 2026, Ch. 68, Sec. 16. (AB 179) Effective July 13, 2026.)

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:

(A) Rental assistance, rapid rehousing, and other programs as long as they 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.

(l) 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.)

50244.

(a) For the purposes of this section, the supplemental Homekey program shall be the same as the program set forth in Section 50675.1.3, except that the applicants are limited to those described in meeting the criteria set forth in subdivisions (b) and (c).

(b) Tribal applicants, cities, and counties that are eligible for round 6 shall be eligible, separately, for supplemental Homekey funding pursuant to this section.

(c) To be eligible for the supplemental Homekey program, a city or county must satisfy both of the following:

(1) Have a compliant Housing Element as defined in Section 65589.9 of the Government Code by the time of being granted the award. This requirement does not apply to tribal applicants.

(2) Have an approved regionally coordinated homelessness action plan pursuant to this article. This requirement does not apply to tribal applicants.

(d) On or after January 1, 2026, the department shall make an application available for supplemental Homekey funding pursuant to this section.

(e) Funding allocated by this section shall consist of round 6 funding provided in paragraph (2) of subdivision (a) of Section 50241.

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

Round 7 of the Homeless Housing, Assistance, and Prevention Program

50245.

(a) Round 7 of the Homeless Housing, Assistance, and Prevention program is hereby established.

(b) Effective July 1, 2026, the sum of five hundred million dollars (\$500,000,000), less the amount of funding that has been transferred to Item 2240-001-0001 of the Budget Act of 2025 from the General Fund pursuant to subdivision (d), is appropriated, provided that these funds shall only be disbursed in accordance with both of the following:

(1) None of these funds shall be allocated until after enactment of legislation declaring that it addresses the issues described in subdivision (c).

(2) Funds from this appropriation shall only be disbursed to a city, county, tribe, or continuum of care for round 7 of the program after declaration by the director of the department, in consultation with the Director of Finance, that both of the following are true of the particular city, county, tribe, or continuum of care that is the subject of the disbursement, with respect to round 6 of the Homeless Housing, Assistance, and Prevention program:

(A) The department has substantially completed its initial disbursement of round 6 funds to the city, county, tribe, or continuum of care.

(B) The city, county, tribe, or continuum of care has obligated at least 50 percent of its total round 6 award.

(c) (1) Consistent with paragraph (1) of subdivision (b), it is the intent of the Legislature to enact future legislation that specifies parameters for round 7 of the Homeless Housing, Assistance, and Prevention program.

(2) The following conditions and priorities shall be incorporated into the implementation of round 7 funding, with subsequent legislation to specify the extent to which each shall apply:

(A) Having a compliant housing element.

(B) Having a local encampment policy consistent with administration guidance.

(C) Having a prohousing designation.

(D) Leveraging local resources to scale state investments.

(E) Demonstrating progress on key housing performance metrics.

(F) Demonstrating urgency and measurable results in housing and homelessness prevention.

(d) (1) During fiscal year 2025–26, the department shall prepare to administer round 7 of the Homeless Housing, Assistance, and Prevention program with the goal that, subject to subdivisions (b) and (c), initial round 7 disbursements will be available to grantees meeting the statutory provisions for disbursement beginning September 1, 2026.

(2) (A) The Department of Finance may augment Item 2240-001-0001 of the Budget Act of 2025 by eight million dollars (\$8,000,000) for implementation of paragraph (1).

(B) The Department of Finance shall provide notification of any augmentation within 10 days to the Joint Legislative Budget Committee.

(3) (A) The administrative costs for round 7 of the program shall not exceed 5 percent of the total allocated for round 7 of the program.

(B) The amounts provided in paragraph (2) are included in the 5 percent to be allocated for this purpose.

(Amended by Stats. 2025, Ch. 650, Sec. 5. (SB 158) Effective October 11, 2025.)

50246.

The Legislature finds and declares all of the following:

(a) In enacting subparagraph (E) of paragraph (1) of subdivision (n) of Section 50242, it is the intent of the Legislature to continue to partner with the state's largest jurisdictions to establish and sustain the conditions that accelerate housing production. These jurisdictions account for the majority share of the state's housing demand, development activity, and homelessness population. Their land use decisions, permitting practices, and regulatory frameworks directly shape housing availability and costs. When affordable housing supply does not keep pace with demand, more households are priced out of stable housing, increasing the risk of, and decreasing exits from, homelessness. Incentivizing these jurisdictions to obtain and maintain a prohousing designation by providing funding to help address homelessness reinforces the connection between local housing policies and regional homelessness outcomes while maximizing the use of limited state resources.

(b) In enacting subparagraph (G) of paragraph (1) of subdivision (n) of Section 50242, the Legislature has the following intent:

(1) To coordinate between the state and its largest jurisdictions in the effort to address, reduce, and prevent homelessness.

(2) That the department provide flexible options to support compliance with the matching fund requirement described in this subparagraph including a range of eligible match sources, technical assistance, sufficient time to align resources with

program timelines, and a clear process for program recipients to demonstrate compliance.

(3) That the department strive to minimize the time and administrative workload of this process in alignment with the intent to streamline round 7.

(4) That, in making determinations regarding compliance with the matching fund requirement set forth in subparagraph (G) of paragraph (1) of subdivision (n) of Section 50242, the department shall consider all of the following:

(A) The importance of maintaining the matching fund requirement as a meaningful demonstration of local commitment to preventing and ending homelessness.

(B) Whether a recipient has demonstrated, through clear documentation, that extraordinary and unforeseen fiscal distress or other exigent circumstances beyond the recipient's reasonable control have materially impaired its ability to satisfy the matching fund requirement despite making good faith efforts to do so.

(C) Whether the recipient has made good faith efforts to maximize available public and private funding sources, including identifying in-kind contributions that substantially advance the purposes of this program.

(D) The need to administer the matching fund requirement in a manner that promotes timely implementation and reduces administrative burdens on the department while preserving program accountability.

(E) Any flexibility exercised by the department pursuant to this paragraph shall be limited to that reasonably necessary to address the demonstrated hardship and shall not be construed to authorize a waiver of the matching fund requirement.

(Added by Stats. 2026, Ch. 68, Sec. 17. (AB 179) Effective July 13, 2026.)

Homeless Housing, Assistance, and Prevention Program Reporting

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.)

50221.

(a) After receiving program funds, a recipient, by April 1 of the year following receipt of the funds and annually on that date thereafter until all funds have been expended, shall submit a report to the department on a form and method provided by the department that includes all of the following, as well as any additional information the department deems appropriate or necessary:

(1) An ongoing tracking of the specific uses and expenditures of any program funds broken out by eligible uses listed, including the current status of those funds.

(2) The number of homeless individuals served by the program funds in that year, and the total number of homeless individuals served in all years of the program.

(3) The types of housing assistance provided, broken out by the number of individuals.

(4) Outcome data for an individual served through program funds, including the type of housing that an individual exited to, the percent of successful housing exits, and exit types for unsuccessful housing exits.

(b) No later than April 1, 2026, each applicant that receives a round 1 program allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(c) The department shall post this information to its internet website within 30 days of receipt and provide notice to the Senate Housing Committee, Assembly Housing and Community Development Committee, and the appropriate budget committees.

(Amended by Stats. 2024, Ch. 48, Sec. 6. (AB 166) Effective July 2, 2024.)

50222.

(a) Beginning in 2021, in addition to the data required on the report under Section 50221, applicants shall provide the following information for both rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework, as established by the department:

(1) Data collection shall include, but not be limited to, information regarding individuals and families served, including demographic information, information

regarding partnerships among entities or lack thereof, and participant and regional outcomes.

(2) The performance monitoring and accountability framework shall include clear metrics, which may include, but are not limited to, the following:

(A) The number of individual exits to permanent housing, as defined by the United States Department of Housing and Urban Development, from unsheltered environments and interim housing resulting from this funding.

(B) Racial equity, as defined by the department in consultation with representatives of state and local agencies, service providers, the Legislature, and other stakeholders.

(C) Any other metrics deemed appropriate by the department and developed in coordination with representatives of state and local agencies, advocates, service providers, and the Legislature.

(3) Data collection and reporting requirements shall support the efficient and effective administration of the program and enable the monitoring of jurisdiction performance and program outcomes.

(b) Based on the data collection, reporting, performance monitoring, and accountability framework established by the department pursuant to subdivision (a), all recipients of a program allocation, no later than April 1 of the year following receipt of funds, and annually on that date thereafter until all funds have been expended, shall submit a report to the department in a format provided by the department.

(c) No later than April 1, 2027, each recipient that receives a round 2 program allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(d) Data collection and data sharing pursuant to this chapter shall be conducted and maintained in accordance with all applicable state and federal privacy and confidentiality laws and regulations.

(e) The client information and records of services provided pursuant to this chapter shall be subject to the requirements of Section 10850 of the Welfare and Institutions Code and shall be exempt from inspection under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Part 1 of the Government Code).

(f) Notwithstanding any other law, data collected through the administration and operation of this chapter shall be captured based on the Homeless Management Information System data standards set forth by the United States Department of Housing and Urban Development and by any other means specified by the department, and may be shared with other programs to maximize the efficient and effective provision of public benefits and services, and to evaluate this chapter or its impact on other public benefit and services programs.

(Amended by Stats. 2025, Ch. 22, Sec. 45. (AB 130) Effective June 30, 2025.)

50223.

(a) In addition to the data required under Sections 50221 and 50222, applicants shall provide the following information for all rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework, as established by the department:

(1) (A) Data on the applicant's progress towards meeting their system performance measures, which shall be submitted annually on April 1 of each year reporting through December 31 of the prior year for the duration of the program.

(B) If the applicant has not made significant progress toward their system performance measures, the applicant shall submit a description of barriers and possible solutions to those barriers.

(C) Applicants that do not demonstrate significant progress towards meeting system performance measures shall accept technical assistance from the department and may also be required to limit the allowable uses of these program funds, as determined by the department.

(2) Up to a monthly, but no less than a quarterly, fiscal report of program funds expended and obligated in each allowable budget category approved in their application for program funds.

(b) No later than April 1, 2027, each recipient that receives a round 3 program allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(c) No later than April 1, 2028, each recipient that receives a round 4 program allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(d) No later than April 1, 2029, each recipient that receives a round 5 program allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(e) No later than April 1, 2030, each recipient that receives a round 6 allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(f) No later than April 1, 2034, each recipient that receives a round 7 allocation shall submit to the department a final report in a format provided by the department, as well as detailed uses of all program funds.

(g) The department shall post the information described in this section on its internet website within 30 days of its receipt of the information, and provide notice to the Senate Committee on Housing, Assembly Committee on Housing and Community Development, and the appropriate budget committees.

(Amended by Stats. 2026, Ch. 68, Sec. 9. (AB 179) Effective July 13, 2026.)

Inspection of Homeless Shelters

17974.

For purposes of this article:

(a) "Department" means the Department of Housing and Community Development.

(b) (1) "Homeless shelter" means any of the following:

(A) An emergency shelter, as defined in Section 576.2 of Title 24 of the Code of Federal Regulations.

(B) An emergency shelter, as defined in subdivision (e) of Section 50801.

(C) A navigation center, as defined in Section 50216.

(2) "Homeless shelter" does not include emergency shelters that are funded by the program commonly referred to as Project Roomkey administered by the State Department of Social Services.

(c) "Local agency" means any city, including a charter city, county, or city and county.

(d) "State agency" means the California Housing and Homelessness Agency.

(e) "State funding" means any grant, loan, or other type of financial assistance awarded to a homeless shelter on or after July 1, 2021, from the following sources:

(1) The Homeless Housing, Assistance, and Prevention Program (Chapter 6 (commencing with Section 50216) of Part 1 of Division 31).

(2) Future one-time state funding for homelessness services.

(f) This section shall become operative on July 1, 2026.

(Repealed (in Sec. 55) and added by Stats. 2026, Ch. 28, Sec. 56. (SB 170) Effective June 29, 2026. Operative July 1, 2026, by its own provisions.)

17974.1

(a) Notwithstanding any other provision of this part, a city or county that receives a complaint from an occupant of a homeless shelter, or an agent of an occupant, that alleges a homeless shelter is substandard pursuant to Section 17920.3 shall do all of the following:

(1) Inspect the homeless shelter or portion thereof intended for human occupancy that may be substandard pursuant to Section 17920.3.

(2) Identify whether the homeless shelter or any portion thereof intended for human occupancy is substandard pursuant to Section 17920.3, as applicable. The documentation shall be included in the inspection report described in subdivision (h).

(3) As applicable, advise the owner or operator of a homeless shelter of each violation and of each action that is required to be taken to remedy the violation. The city or county shall schedule a reinspection to verify correction of the violations.

(b) Notwithstanding any other provision of this part, and consistent with Section 17970, a city or county shall perform an annual inspection on every homeless shelter located in its jurisdiction to ensure that the homeless shelter is compliant with this part. A city or county conducting an inspection pursuant to this subdivision shall comply with this section, to the extent those provisions are applicable.

(c) (1) If, upon inspection, the city or county determines that a homeless shelter is substandard pursuant to Section 17920.3, the city or county shall promptly, but not later than 10 business days after the city or county completes the inspection, issue a notice to correct the violation to the owner or operator of the homeless shelter.

(2) In the event that the city or county determines that a violation constitutes an imminent threat to the health and safety of the occupants of the homeless shelter, the notice of violation shall be issued immediately and served on the owner or operator of the homeless shelter.

(3) In the event that the city or county determines that deficiencies, violations, or conditions exist at a homeless shelter that are dangerous, hazardous, imminently detrimental to life or health, or otherwise render the homeless shelter unfit for human habitation, the city or county may issue an emergency order directing the owner or operator to take immediate measures to rectify those deficiencies, violations, or conditions.

(d) An inspection conducted pursuant to this section may be announced or unannounced.

(e) The city or county shall maintain all records on file of each homeless shelter inspection. These records shall be made available to the public for inspection.

(f) A city or county shall perform an inspection conducted pursuant to subdivision (a) at least as promptly as that city or county conducts an inspection in response to a request for final inspection pursuant to Section 110 of Part 2 of Division 2 of Chapter 1 of the California Building Code (Part 2 of Title 24 of the California Code of Regulations).

(g) Notwithstanding subdivision (a), a city or county is not required to conduct an inspection in response to either of the following:

(1) A complaint that does not allege one or more substandard conditions.

(2) A complaint submitted by a tenant, resident, or occupant who, within the past 180 days, submitted a complaint about the same property that the chief building inspector or their designee reasonably determined, after inspection, was frivolous or unfounded.

(h) A city or county shall provide free, certified copies of an inspection report and citations issued pursuant to this section, if any, to the complaining occupant or their agent. If the inspection reveals a condition potentially affecting multiple occupants,

including, but not limited to, conditions relating to the premises, common areas, or structural features, then the city or county shall provide free copies of the inspection report and citations issued to all potentially affected occupants or their agents.

(i) A city or county shall not unreasonably refuse to communicate with an occupant or the agent of an occupant regarding any matter covered by this article.

(j) A city or county shall conduct an inspection pursuant to this section based on the location of the homeless shelter, in accordance with the following:

(1) A city shall conduct an inspection for shelters within the city's jurisdiction.

(2) A county shall conduct an inspection for shelters within the county's jurisdiction.

(3) A city with a population under 100,000 may partner with its county to conduct an inspection pursuant to this section.

(Amended by Stats. 2025, Ch. 22, Sec. 33. (AB 130) Effective June 30, 2025.)

17974.1.5

(a) A homeless shelter shall prominently display at the shelter information about an occupant's rights and the process for reporting a complaint alleging a homeless shelter is substandard pursuant to Section 17920.3, including the contact information for all of the following:

(1) The owner or operator of the homeless shelter.

(2) The city or county.

(3) The department.

(b) A homeless shelter shall provide in writing the notice specified in subdivision (a) to any new occupant during intake.

(Added by Stats. 2025, Ch. 22, Sec. 34. (AB 130) Effective June 30, 2025.)

17974.2

(a) The owner or operator of a homeless shelter shall be responsible for the correction of any violations for which a notice of violation has been given under this article.

(b) An owner or operator of a homeless shelter shall correct each violation within 30 days of receipt of the citation. The city or county, in its sole discretion, may grant the owner or operator a 30-day extension to correct a violation.

(Added by Stats. 2021, Ch. 395, Sec. 1. (AB 362) Effective January 1, 2022.)

17974.3

(a) The requirements of this article shall not be construed to impose a mandatory duty pursuant to Section 815.6 of the Government Code, and shall not be construed to affect the availability of any immunity otherwise applicable to the city or county or its employees, including, but not limited to, Sections 818.2, 818.4, 818.6, 820.2, 821,

821.2, and 821.4 of the Government Code.

(b) (1) An action to enforce the requirements of this article may be brought pursuant to Section 1085 of the Code of Civil Procedure.

(2) A plaintiff who prevails in an action described in paragraph (1) shall be entitled to recover reasonable attorney's fees and costs.

(3) Notwithstanding any other law, including any provision of this part authorizing the department to enforce this part by means of administrative enforcement, the department may bring a civil action pursuant to this subdivision in order to enforce this part.

(c) For purposes of Section 1085 of the Code of Civil Procedure, the requirements of this article shall be construed as acts that the law specially enjoins, as a duty resulting from an office, trust, or station.

(Amended by Stats. 2025, Ch. 22, Sec. 35. (AB 130) Effective June 30, 2025.)

17974.4

(a) In addition to the penalties authorized under Chapter 6 (commencing with Section 17995), an owner or operator of a homeless shelter who fails to meet the timelines to correct a violation under this article, building standards published in the State Building Standards Code relating thereto, or any other rules or regulations adopted by the department pursuant to this part, may be liable for a civil penalty in an amount determined by the city or county for each violation or for each day of a continuing violation.

(b) The city or county shall not award or distribute state funding to the owner or operator of a homeless shelter for purposes of operating the shelter, if the city or county determines that any of the following exist:

(1) The owner or operator fails to correct a violation within the time period specified in Section 17974.2.

(2) The owner or operator has failed to correct violations in a timely manner on multiple occasions.

(3) The owner or operator has been cited for a violation that is an imminent threat to the health and safety of the occupants of the homeless shelter and the owner or operator fails to take sufficient action to correct the violation or prevent similar future violations.

(Added by Stats. 2021, Ch. 395, Sec. 1. (AB 362) Effective January 1, 2022.)

17974.5

(a) Each city and each county shall submit a report annually to the department and the state agency by April 1 of each year that includes all of the following information:

(1) The number of complaints received by the city or county, pursuant to Section 17920.3, including if the city or county did not receive any complaints.

(2) Any pending uncorrected violations determined by the city or county, pursuant to Section 17974.1.

(3) Any determinations by the city or county that conditions exist or existed that make or made the homeless shelter dangerous, hazardous, imminently detrimental to life or health, or otherwise render the homeless shelter unfit for human habitation.

(4) A list of any emergency orders issued pursuant to paragraph (3) of subdivision (c) of Section 17974.1.

(5) A list of any owners or operators who received three or more violations within any six-month period.

(6) Any corrected violations from the prior year.

(b) The report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795 of the Government Code.

(c) If a city or county applies for state funding to support the ongoing operations of a homeless shelter, the city or county shall disclose to the state agency that administers the state funding the status of any unresolved violations pursuant to this article and the names of the homeless shelter owner or operator.

(d) The department or the state agency, may, pursuant to the reported information in subdivision (b), deem an owner or operator of a shelter ineligible for state funding for shelter operations.

(e) The department shall withhold state funding from a city or county that fails to comply with the reporting requirements in this section or fails to take action to correct a violation of this article by a homeless shelter pursuant to Section 17974.4.

(Amended by Stats. 2025, Ch. 22, Sec. 36. (AB 130) Effective June 30, 2025.)

17974.6

The Legislature finds and declares that this article addresses a matter of statewide concern rather than a municipal affair as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this article applies to all cities, including charter cities.

(Added by Stats. 2021, Ch. 395, Sec. 1. (AB 362) Effective January 1, 2022.)

Welfare and Institutions Code – WIC

California Interagency Council on Homelessness

8256.

(a) Except as provided in subdivision (c), agencies and departments administering state programs created on or after July 1, 2017, shall collaborate with the council staff to adopt guidelines and regulations to incorporate core components of Housing First.

(b) By July 1, 2019, except as otherwise provided in subdivision (c), agencies and departments administering state programs in existence prior to July 1, 2017, shall collaborate with the council staff to revise or adopt guidelines and regulations that incorporate the core components of Housing First, if the existing guidelines and regulations do not already incorporate the core components of Housing First.

(c) (1) For the Returning Home Well Program, the Specialized Treatment for Optimized Programming Program, and the Long-Term Offender Reentry Recovery Program, all of which are administered by the Department of Corrections and Rehabilitation, which fund recovery housing, as defined in paragraph (3), for parolees, as defined by Section 3000 of Title 15 of the California Code of Regulations, the Department of Corrections and Rehabilitation shall do all of the following:

(A) In coordination with the council staff, consult with the Legislature, the California Housing and Homelessness Agency, the California Health and Human Services Agency, the United States Department of Housing and Urban Development, and other stakeholders to identify ways to improve the provision of housing to individuals who receive funding from that agency or department, consistent with the applicable requirements of state law.

(B) Comply with the core components of Housing First, other than those components described in paragraphs (5) to (7), inclusive, of subdivision (b) of Section 8255.

(C) Ensure that recovery housing programs meet the following requirements:

(i) A recovery housing program participant shall sign an agreement upon entry that outlines the roles and responsibilities of both the participant and the program administrator to ensure individuals are aware of actions that could result in removal from the recovery housing program. Violations of the agreement shall not automatically result in discharge from the recovery housing program.

(ii) Efforts to link program participants to alternative housing options, including interim sheltering, permanent housing, or transitional housing, shall be documented. If a recovery housing program participant chooses to stop living in a housing setting with a recovery focus, is discharged from the program, or is removed from housing, the program administrator shall offer assistance in accessing other housing and services options, including options operated with harm-reduction principles, and identifying an alternative housing placement. This clause does not apply to an individual who leaves the program without notifying the program administrator.

(iii) The program administrator shall offer program participants who inform the program administrator that they are leaving the program one or more of the following:

(l) Tenant housing navigation services to permanent housing.

(II) Connections to alternative housing providers.

(III) Access to supportive services.

(IV) Intake into a locally-coordinated entry system.

(V) Warm handoff to a partner homeless services provider offering housing navigation.

(iv) The recovery housing program administrator shall track and report annually, to the program's state funding source, the housing outcome for each program participant who is discharged, including, but not limited to, the following information:

(I) The number of homeless individuals with a housing need served by the program funds that year, as well as the demographics of the population served.

(II) Outcome data for all individuals served through program funds, including the type of housing that the individuals were connected to, the type of housing the individuals were exited to, the percent of housing exits that were successful, and exit types of unsuccessful housing exits.

(v) The department shall make every effort to ensure that exits to homelessness are extremely rare.

(2) The Department of Corrections and Rehabilitation shall make efforts to reduce recidivism by offering participation to formerly incarcerated persons in recovery housing programs. Connections to safe and supportive housing is a critical priority for successful community reintegration.

(3) For purposes of this subdivision, "recovery housing" means sober living facilities and programs that provide housing in a recovery-focused and peer-supported community for people recovering from substance use issues. Participation is voluntary, unless that participation is pursuant to a court order or is a condition of release for individuals under the jurisdiction of a county probation department or the Department of Corrections and Rehabilitation.

(d) (1) Beginning on January 1, 2023, a grantee or entity operating any of the following state homelessness programs, as a condition of receiving state funds, shall enter the required data elements described in paragraph (8) on the individuals and families it serves into its local Homeless Management Information System, as required by the United States Department of Housing and Urban Development guidance described in paragraph (8), unless otherwise exempted by state or federal law:

(A) The program referred to as Homekey, as described in Section 50675.1.1 of the Health and Safety Code.

(B) The Housing for a Healthy California Program established pursuant to Part 14.2 (commencing with Section 53590) of Division 31 of the Health and Safety Code.

(C) The No Place Like Home Program established pursuant to Part 3.9 (commencing with Section 5849.1) of Division 5.

(D) The Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code).

(E) The Veterans Housing and Homeless Prevention Act of 2014, as established by Article 3.2 (commencing with Section 987.001) of Chapter 6 of Division 4 of the Military and Veterans Code.

(F) The Bringing Families Home Program, as established by Article 6 (commencing with Section 16523) of Chapter 5 of Part 4 of Division 9.

(G) The CalWORKs Housing Support Program, as established by Article 3.3 (commencing with Section 11330) of Chapter 2 of Part 3 of Division 9.

(H) The Housing and Disability Income Advocacy Program, as established by Chapter 17 (commencing with Section 18999) of Part 6 of Division 9.

(I) The Community Colleges Homeless and Housing Insecure Pilot Project, as established by funds appropriated by the Budget Act of 2019.

(J) The Homeless Housing, Assistance, and Prevention Program established in Chapter 6 (commencing with Section 50216) of Part 1 of Division 31 of the Health and Safety Code.

(2) Council staff, in consultation with respective administering state agencies or departments, shall specify the entry format and disclosure frequency for the programs subject to this subdivision to submit the data elements as specified in paragraph (1) to inform and meet the statewide objectives and goals described in Section 8257.

(3) (A) The requirements of paragraph (1) shall additionally apply to all new state homelessness programs that commence on or after July 1, 2021.

(B) New state homelessness programs and new grantees of the existing state programs described in paragraph (1) may be granted an extension of up to one year from program launch to meet the requirements of this subdivision.

(4) For purposes of this subdivision, state homelessness programs are defined as those programs that are funded, in whole or in part, by the state with the express purpose of addressing or preventing homelessness or providing services to people experiencing homelessness. This definition shall be broadly construed for the purpose of carrying out the requirements of this subdivision.

(5) The requirements of paragraphs (1) and (3) do not supplant any existing requirements imposed on a grantee or entity operating a state program described in this subdivision that require the program to report data into their local Homeless Management Information Systems before January 1, 2023.

(6) (A) Any grantee or entity operating a program described in paragraph (1) or (3) that does not already collect and enter into the local Homeless Management Information System the data elements required under this subdivision shall, upon request, receive technical assistance and guidance from council staff and, as available, from federal partners, including, but not limited to, the United States Department of Housing and Urban Development.

(B) When a grantee or entity operating a program requests technical assistance, the council staff shall inform the respective administering state agency or department and offer the opportunity to partner or coordinate the provision of technical assistance.

(7) Any grantee or entity operating a program described in paragraph (1) shall, upon request, be granted an extension to meet the requirements in this subdivision, provided noncompliant grantees are making good faith progress towards meeting the requirements. An extension granted under this paragraph shall not extend beyond July 1, 2023. For purposes of this paragraph, “making good faith progress” includes, but is not limited to, engaging in technical assistance offered under paragraph (6) and establishing a plan to comply with this subdivision.

(8) For purposes of this subdivision, required data elements are the Universal Data Elements (Items 3.01–3.917) and the Common Data Elements (Items 4.02–4.20 and Item W5 of the Individual Federal Partner Program Elements) drawn from the United States Department of Housing and Urban Development Homeless Management Information System Data Standards. When necessary, due to federal changes to the items indicated in this paragraph, the required data elements may be amended to maintain alignment with federal standards.

(9) Beginning January 1, 2022, council staff shall provide aggregate data summaries collected in full pursuant to this subdivision to the respective administering state agencies or departments that oversee relevant programs within 45 days of receipt. Where feasible, council staff shall notify the respective administering state agencies or departments at least 14 days before sharing, publicly using, or referencing the data, including, but not limited to, using the data for any substantive analysis, summary statistics, or other findings.

(e) The Board of State and Community Corrections Adult Reentry Grant programs that fund recovery housing subject to this chapter shall apply the requirements of this chapter prospectively beginning July 1, 2022, through any new contracts or agreements.

(Amended by Stats. 2026, Ch. 28, Sec. 108. (SB 170) Effective June 29, 2026.)

8257.

(a) (1) There is in state government the California Interagency Council on Homelessness.

(2) There is, within the California Interagency Council on Homelessness, the California Interagency Executive Council on Homelessness, which shall support the California Interagency Council on Homelessness in meeting its goals.

(b) The California Interagency Council on Homelessness shall have all of the following goals:

(1) To oversee implementation of this chapter.

(2) To identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California.

(3) To create partnerships among state agencies and departments, local government agencies, participants in the United States Department of Housing and Urban Development's Continuum of Care Program, federal agencies, the United States Interagency Council on Homelessness, nonprofit entities working to end homelessness, homeless services providers, and the private sector, for the purpose of arriving at specific strategies to end homelessness.

(4) To promote systems integration to increase efficiency and effectiveness while focusing on designing systems to address the needs of people experiencing homelessness, including unaccompanied youth under 25 years of age.

(5) To coordinate existing funding and applications for funding. Any action taken pursuant to this paragraph shall not restructure or change any existing allocations or allocation formulas.

(A) To ensure eligible applicants are informed of opportunities to apply for funding, council staff shall develop and regularly maintain a strategic funding guide and a calendar of new or existing funding opportunities.

(B) Agencies and departments administering state programs shall provide the council staff updated information on new or existing funding opportunities on a quarterly basis.

(6) To make policy and procedural recommendations to legislators and other governmental entities.

(7) To identify and seek funding opportunities for state entities that have programs to end homelessness, including, but not limited to, federal and philanthropic funding opportunities, and to facilitate and coordinate those state entities' efforts to obtain that funding.

(8) 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.

(9) To serve as a statewide facilitator, coordinator, and policy development resource on ending homelessness in California.

(10) To report to the Governor, federal Cabinet members, and the Legislature on homelessness and work to reduce homelessness.

(11) To ensure accountability and results in meeting the strategies and goals of the executive council.

(12) To identify and implement strategies to fight homelessness in small communities and rural areas.

(13) To create a statewide data system or warehouse, which shall be known as the Homeless Data Integration System, that collects local data through Homeless Management Information Systems, with the ultimate goal of matching data on homelessness to programs impacting homeless recipients of state programs, such as the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9) and CalWORKs (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9). Upon creation of the Homeless Data Integration System, all continuums of care, as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, that are operating in California shall provide collected data elements, including, but not limited to, health information, in a manner consistent with federal law, to the Homeless Data Integration System.

(A) Council staff shall specify the form and substance of the required data elements.

(B) Council staff may, as required by operational necessity, and in accordance with paragraph (8) of subdivision (d) of Section 8256, amend or modify data elements, disclosure formats, or disclosure frequency.

(C) (i) To further the efforts to improve the public health, safety, and welfare of people experiencing homelessness in the state, council staff may collect data from the continuums of care as provided in this paragraph.

(ii) Council staff shall, upon request, share personally identifiable, individual-level data from the Homeless Data Integration System with an agency or department that is a member of the executive council for purposes of measuring housing instability and examining the effectiveness of, and need for, housing and homelessness programs and other antipoverty programs among Californians.

(iii) Council staff shall adopt and periodically publish system performance measures including, but not limited to, all of the following:

(I) The number of people experiencing homelessness who are accessing services.

(II) The number of people experiencing unsheltered homelessness on a single night.

(III) The number of people experiencing homelessness who are accessing services for the first time in the past two years.

(IV) The number of people exiting homelessness into permanent housing.

(V) The average length of time that people experienced homelessness while accessing services.

(VI) The percentage of people who return to homelessness within 6 months of exiting the homelessness response system to permanent housing.

(VII) The number of people with successful placements into shelter, interim, or permanent housing from street outreach.

(iv) For each of the system performance measures, council staff shall ensure that demographic data is tracked to identify age, gender, and racial and ethnic disparities.

(v) Before making any changes to the system performance measures pursuant to clauses (iii) or (iv), council staff shall provide a 30-day notice to the Joint Legislative Budget Committee, in writing, specifying the nature of the proposed changes.

(vi) Data disclosed pursuant to this subparagraph shall be in compliance with the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code).

(D) Any health information or personal identifying information provided to, or maintained within, the Homeless Data Integration 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).

(E) For purposes of this paragraph, “health information” includes “protected health information,” as defined in Section 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.

(14) To set goals to prevent and end homelessness among California’s youth.

(15) To improve the safety, health, and welfare of young people experiencing homelessness in the state.

(16) To increase system integration and coordinating efforts to prevent homelessness among youth who are currently or formerly involved in the child welfare system or the juvenile justice system.

(17) To lead efforts to coordinate a spectrum of funding, policy, and practice efforts related to young people experiencing homelessness.

(18) To identify best practices to ensure homeless minors who may have experienced maltreatment, as described in Section 300, are appropriately referred to, or have the ability to self-refer to, the child welfare system.

(19) To collect, compile, and make available to the public financial data provided to the council staff from all state-funded homelessness programs.

(A) (i) Commencing with the 2025–26 fiscal year, and every fiscal year thereafter, council staff shall collect fiscal and outcome data from state agencies and departments administering state homelessness programs with a grantee or entity that is required to enter data elements on individuals and families it serves pursuant to paragraphs (1) and (3) of subdivision (d) of Section 8256. The state agencies and departments shall submit the fiscal and outcome data to council staff on or before February 1, 2027, and annually thereafter.

(ii) Council staff, in collaboration with the respective administering state agencies or departments, shall specify the data elements, entry format, and disclosure frequency of fiscal and outcome data.

(iii) Council staff may aggregate fiscal and outcome data in a manner it sees fit, and, in consultation with the respective administering state agencies or departments, shall make the data publicly available on or before June 1, 2027, and annually thereafter.

(B) For the purposes of this paragraph:

(i) “Fiscal data” includes, but is not limited to, funding sources, budget allocations, obligations, and expenditures, and any other financial data needed to assess a state homelessness program. Fiscal data collected pursuant to subparagraph (A) shall be limited to only the data authorized to be collected or requested from a grantee by administering agencies and departments based on the specific program’s authority or grant agreement.

(ii) “Outcome data” includes, but is not limited to, data relating to people exiting into permanent housing and data elements described in subdivision (d) of Section 8256. Outcome data collected pursuant to subparagraph (A) shall be limited to only the data authorized to be collected or requested from a grantee by administering agencies and departments based on the specific program’s authority or grant agreement.

(c) (1) The executive council shall consist of the following members:

- (A) The Secretary of the California Housing and Homelessness Agency and the Secretary of California Health and Human Services, who both shall serve as cochairs of the executive council.
- (B) The Director of Transportation.
- (C) The Director of Housing and Community Development.
- (D) The Director of Social Services.
- (E) The executive director of the California Housing Finance Agency.
- (F) The Director or the State Medicaid Director of Health Care Services.
- (G) The Secretary of Veterans Affairs.
- (H) The Secretary of the Department of Corrections and Rehabilitation.
- (I) The Governor's Tribal Advisor.
- (J) The Executive Director of the California Tax Credit Allocation Committee in the Treasurer's office.
- (K) The State Public Health Officer.
- (L) The Director of the California Department of Aging.
- (M) The Director of Rehabilitation.
- (N) The Director of State Hospitals.
- (O) The executive director of the California Workforce Development Board.
- (P) The Director of Emergency Services.
- (Q) A representative from the State Department of Education, who shall be appointed by the Superintendent of Public Instruction.
- (R) A representative of the state public higher education system who shall be from one of the following:
 - (i) The California Community Colleges.
 - (ii) The University of California.
 - (iii) The California State University.

(2) The Senate Committee on Rules and the Speaker of the Assembly shall each appoint one member to the executive council from two different stakeholder organizations.

(3) The executive council may, at its discretion, invite stakeholders, individuals who have experienced homelessness, members of philanthropic communities, and experts to participate in meetings or provide information to the executive council.

(4) The executive council shall hold public meetings at least once every quarter.

(d) The executive council shall regularly seek guidance from and, at least twice a year, meet with an advisory committee. Notwithstanding Section 11123.5 of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), all members of the advisory committee may participate remotely in advisory committee meetings, including meetings held with the executive council, and no members are required to be present at the designated primary physical meeting location. The cochairs of the executive council shall appoint members to this advisory committee that reflects racial and gender diversity, and shall include the following:

(1) A survivor of gender-based violence who formerly experienced homelessness.

(2) Representatives of local agencies or organizations that participate in the United States Department of Housing and Urban Development's Continuum of Care Program.

(3) Stakeholders with expertise in solutions to homelessness and best practices from other states.

(4) Representatives of committees on African Americans, youth, and survivors of gender-based violence.

(5) A currently or formerly homeless person who lives in California.

(6) A currently or formerly homeless youth who lives in California.

(7) A currently or formerly homeless person with a developmental disability.

(8) This advisory committee shall designate one of the above-described members to participate in every quarterly executive council meeting to provide a report to the executive council on advisory committee activities.

(e) Within existing funding, the executive council and council staff may establish working groups, task forces, or other structures from within its membership or with outside members to assist it in its work. Council staff may establish working groups, task forces, or other structures to assist in its work. Working groups, task forces, or other structures established by the executive council or council staff shall determine their own meeting schedules.

(f) Upon request of the executive council or council staff, a state agency or department that administers one or more state homelessness programs, including, but not limited to, an agency or department represented on the executive council pursuant to subdivision (c), the agency or department shall be required to do both of the following:

(1) Participate in executive council or council staff, as applicable, workgroups, task forces, or other similar administrative structures.

(2) Provide to the executive council or council staff, as applicable, any relevant information regarding those state homelessness programs.

(g) (1) The members of the executive council, advisory committee, or working groups who are or have been homeless may receive per diem and reimbursement for travel or other expenses as follows:

(A) A member of the executive council who is or has been homeless shall receive a per diem of one hundred dollars (\$100) for each day during which that member is engaged in the performance of official duties and shall also be reimbursed for travel and other expenses necessarily incurred in the performance of official duties.

(B) A member of the advisory committee who is or has been homeless shall receive a per diem of one hundred dollars (\$100) for each day during which that member is engaged in the performance of official duties and shall also be reimbursed for travel and other expenses necessarily incurred in the performance of official duties.

(C) A member of a working group, as defined and managed by the executive council or council staff, who is or has been homeless shall receive a per diem of one hundred dollars (\$100) for each day during which that member is engaged in the performance of official duties and shall also be reimbursed for travel and other expenses necessarily incurred in the performance of official duties.

(2) (A) A per diem or reimbursement request pursuant to paragraph (1) is subject to funding availability.

(B) Notwithstanding any other law, assistance provided pursuant to this subdivision shall not be deemed to be income for purposes of the Personal Income Tax Law (Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code) or used to determine eligibility for any state program or local program financed wholly or in part by state funds.

(3) (A) For purposes of complying with paragraphs (1) and (2) of subdivision (a) of Section 41 of the Revenue and Taxation Code, as it pertains to this subdivision, the Legislature finds and declares as follows:

(i) The specific goals, purposes, and objectives that the exemptions created by subparagraph (B) of paragraph (2) are as follows:

(I) The objective is to facilitate the participation of individuals with lived homelessness experience in order to include valuable insight from those lived experiences in shaping policy recommendations.

(II) The goal is to prevent members with lived homelessness experience from incurring tax liability because of their participation.

(III) The purpose is to enable participants with lived homelessness experience to receive the full benefit of their per diem and reimbursements.

(ii) The performance indicators the Legislature can use to determine if the exemption is achieving the goals, purposes, and objectives stated in clause (i) shall be as follows:

(I) Whether the executive council, advisory committee, or working group members with lived homelessness experience incur any tax liability because of their participation on the committee.

(II) The number of people with lived homelessness experience who serve on the executive council, advisory committee, and working groups.

(B) (i) For purposes of complying with paragraph (3) of subdivision (a) of Section 41 of the Revenue and Taxation Code, as it pertains to this subdivision, the Legislative Analyst's Office shall deliver to the Legislature on or before April 1 of each year a written report that includes both of the following:

(I) The estimated aggregate tax liability incurred by executive council, advisory committee, or working group members with lived homelessness experience because of their participation on the committee.

(II) The estimated number of people with lived homelessness experience who serve on the executive council, advisory committee, or working groups that excluded qualified amounts from gross income as described in paragraph (1).

(ii) A report submitted pursuant to this subparagraph shall be submitted in compliance with Section 9795 of the Government Code.

(iii) The reporting requirement pursuant to this subparagraph shall become inoperative on April 1, 2028, pursuant to Section 10231.5 of the Government Code.

(4) For purposes of this subdivision, "the performance of official duties" includes, but is not limited to, attending an executive council, advisory, or working group meeting and reviewing agenda materials for no more than one day in preparation for each executive council, advisory, or working group meeting.

(h) The appointed members of the executive council or committees, as described in this section, shall serve at the pleasure of their appointing authority.

(i) The members of the executive council may enter into memoranda of understanding with other members of the executive council to achieve the goals set forth in this chapter, as necessary, in order to facilitate communication and cooperation between the entities the members of the executive council represent.

(j) There shall be an executive officer of the council.

(k) The council staff shall be under the direction of the executive officer.

(l) The amendments made to this section by the act adding this subdivision shall become operative on July 1, 2026.

(Amended by Stats. 2026, Ch. 68, Sec. 44. (AB 179) Effective July 13, 2026.)

Appendix B: Definitions

The following HHAP 6 program terms are defined in accordance with HSC section 50230-50244:

- a) "Agency" means the Business, Consumer Services and Housing Agency.
- b) "Applicant" means a continuum of care, city, county, or a region for purposes of the HHAP Round 6 Regionally Coordinated Homelessness Action Plan.
- c) "City" means a city or city and county that is legally incorporated to provide local government services to its population. A city can be organized either under the general laws of this state or under a charter adopted by the local voters.
- d) "Continuum of care" means the same as defined by the U.S. Department of Housing and Urban Development in Section 578.3 of Title 24 of the Code of Federal Regulations.
- e) "Coordinated Entry System" means a centralized or coordinated process developed pursuant to Section 578.7 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019, designed to coordinate homelessness program participant intake, assessment, and provision of referrals. In order to satisfy this subdivision, a centralized or coordinated assessment system shall cover the geographic area, be easily accessed by individuals and families seeking housing or services, be well advertised, and include a comprehensive and standardized assessment tool.
- f) "Regionally Coordinated Homelessness Action Plan" means the regionally coordinated homelessness action plan described in Section 50240.
- g) Unless context requires otherwise, "council," with respect to the administration of HHAP Round 6, means the California Department of Housing and Community Development.
- h) "Department" means the Department of Housing and Community Development.
- i) "Emergency shelter" has the same meaning as defined in subdivision (e) of Section 50801.
- j) "Grantee" means an eligible applicant that has been awarded its initial Round 6 base allocation or total Round 6 base allocation.
- k) "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 10, 2019.
- l) "Homeless Management Information System" means the information system designated by a continuum of care to comply with federal reporting requirements as defined in Section 578.3 of Title 24 of the Code of Federal Regulations. The term "Homeless Management Information System" also includes the use of a comparable database by a victim services provider or legal services provider that is permitted by the federal government under Part 576 of Title 24 of the Code of Federal Regulations.
- m) "Homeless point-in-time count" means the most recently available point-in-time count data as reflected in the Annual Homeless Assessment Report released by the U.S. Department of Housing and Urban Development.
- n) "Homeless youth" 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.
- o) “Housing First” has the same meaning as in Section 8255 and 8256 of the Welfare and Institutions Code, including all of the core components listed therein.
 - p) “Memorandum of understanding” has the same meaning as defined in subdivision (f) of Section 50240.
 - q) “Navigation center” means a Housing First, low-barrier, service-enriched shelter focused on moving homeless individuals and families into Permanent Housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing.
 - r) “Program”: Unless context requires otherwise, “Program” means Round 6 of the Homeless Housing, Assistance, and Prevention program, or round 6, established pursuant to Article 2 (commencing with Section 50239).
 - s) “Base program allocation” means the portion of program funds available as defined in Section 50241(a)(1) to expand or develop local capacity to address immediate homelessness challenges pursuant to the allowable uses specified in Section 50243.
 - t) “Homekey supplemental allocation” means the portion of program funds available to eligible jurisdictions as supplementary Homekey resources, as defined in Section 50234(a)(3) and 50241(a)(2) and administered under the Homekey+ Program.
 - u) “Recipient” means a jurisdiction that receives funds pursuant to this chapter for the purposes of the program.
 - v) “Region” means the geographic area served by a county, including all cities and continuum of care within it. A region that has a continuum of care that serves multiple counties may submit a plan that covers multiple counties and the cities within them, or the continuum of care may participate in the regionally coordinated homelessness action plan of each individual county that is part of the continuum of care along with the cities within the county.
 - 1. All continuums of care within the County of Los Angeles shall be considered part of a single region, along with the county and big cities within the county.
 - w) “Round 6” means the 2024-25 fiscal year program allocation.
 - x) “Round 7” means the 2026-27 fiscal year program allocations, administered as additional disbursements of round 6 in accordance with paragraph (2) of subdivision (b) of Section 50239.
 - y) “Small jurisdiction” means a city that is under 300,000 in population as of January 1, 2022, according to data published on the internet website of the Department of Finance.
 - z) “Tribe” or “tribal applicant” means a federally recognized tribal government pursuant to Section 4103 of Title 25 of the United States Code that is located in California.

Additional Definitions for the purposes of this NOFA:

- aa) “Administrative Entity” means the entity that will enter into contract with HCD to receive HHAP funds directly for its own allocation (and the allocation(s) of other Eligible Applicants in the region when designated). The Administrative Entity is

responsible for HHAP 6 funds and meeting the terms and conditions of the contract. Broadly speaking, this means administering funds, contracting (when necessary) with sub-recipients, and reporting on HHAP 6 dollars and activities to HCD.

- bb) “Eligible Applicant” means a City, or a City that is also a county, that has a population of 300,000 or more, as of January 1, 2022; a county; or a Continuum of Care.
- cc) “Expended” means the amount of HHAP 6 funding which the Grantee has obligated under contract or subcontract that has been fully paid and no invoices remain outstanding.
- dd) “New Interim Housing” means eligible uses as defined in HSC section 50243(e)(3)(A),(F),(G), and (J). New Interim Housing that meets the Youth Set Aside does not trigger the requirement to document the Sustainability of the Region’s Permanent Housing Portfolio pursuant to HSC section 50243(d).
- ee) “Large City” means a City, or a City that is also a county, that has a population of 300,000 or more, as of January 1, 2022.
- ff) “Obligated” means the amount of HHAP 6 funding for which the Grantee has placed orders, awarded contracts, received services, or entered into similar transactions that require payment. HHAP 6 Grantees must obligate the funds by the statutory deadlines set forth in this NOFA.

Appendix C: HHAP 6 and 7 Allocation Methodology Overview

Per **HSC section 50241(a)**, HHAP 6 funds are allocated based on each Eligible Applicant's proportionate share of California's homeless population, as reported in the **2024 Point-In-Time (PIT) count**. Per **HSC section 50242(n)(1)**, HHAP 7 funds are allocated with the same methodology, using **2025 PIT count data**.

Basic Program Allocations – HHAP 6

1. **Funding Breakdown:**
 - a. **80% of Total Funding:** \$800 million of the \$1 billion total.
 - b. **Less 5% Administrative Costs:** \$760 million available for allocations.
2. **Allocation Categories:**
 - a. **Continuums of Care (CoCs):** 30% of \$760 million.
 - b. **Large Cities (population ≥300,000):** 42% of \$760 million.
 - c. **Counties:** 28% of \$760 million.

Basic Program Allocations – HHAP 7

1. **Funding Breakdown:**
 - a. **97% of Total Funding:** For HHAP 7. (The other 3% of the total is set aside for Tribal HHAP Round 5.)
 - b. **Less 5% Administrative Costs:** \$855 million available. \$829.35 million for HHAP 7 and \$25.65 million for Tribal HHAP Round 5.
2. **Allocation Categories:**
 - a. **Continuums of Care (CoCs):** 30% of \$829.35 million.
 - b. **Large Cities (population ≥300,000):** 42% of \$829.35 million.
 - c. **Counties:** 28% of \$829.35 million.

Continuum of Care Allocation Statute

HSC section 50241(a)(1)(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.

CoC Allocation Methodology:

Using the **respective** PIT count, for each CoC, multiply its proportionate share of the state's total homeless population by the CoC allocation total (~~\$228 million~~) to determine its individual allocation. For example, if a CoC represents 5 percent of the state's total homeless population, its individual allocation would be $0.05 \times \$228 \text{ million} = \11.4 million .

If any CoC's allocation exceeds \$91.2 million **for HHAP 6** or **\$99.522 million for HHAP 7** (40 percent of the CoC allocation total), the excess amount is redistributed to all other CoCs proportionately.

Large Cities Allocation Statute

HSC section 50241(a)(1)(B)

(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.

Large City Allocation Methodology:

- **If there is only one Large City** (defined as a city, or a city that is also a county, with a population greater than 300,000) within a CoC, that Large City's allocation will be calculated as 100 percent of that CoC's proportionate share of the state's total homeless population, but only among CoCs that include a Large City. The result of that percentage is then multiplied by the Large City allocation total ~~(\$319.2 million)~~.
 - *Example:* If the CoC represents 10 percent of the state's total homeless population *among CoCs that include a Large City*, the Large City's allocation is $0.10 \times \$319.2 \text{ million} = \31.92 million .
- **If two or more Large Cities exist within the same CoC**, their combined allocation is that CoC's proportionate share of the state's total homeless population (again, only among CoCs that include a Large City), multiplied by ~~\$319.2 million~~ the Large City allocation total, and then split evenly among those Large Cities.
 - *Example:* If City A and City B are both Large Cities in the same CoC, and that CoC represents 5 percent of the state's total homeless population *among CoCs that include a Large City*, their total Large City allocation is $0.05 \times \$319.2 \text{ million} = \15.96 million , and each City receives \$7.98 million.
- **If any Large City** exceeds \$143.64 million ~~for HHAP 6 or \$156.74715 million for HHAP 7~~ (45 percent of the Large City allocation total), the excess is redistributed to all other Large Cities proportionately.

County Allocation Statute

HSC section 50241(a)(1)(C)

(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.

County Allocation Methodology:

- **If there is only one county** within a CoC, its allocation will be 100 percent of that CoC's proportionate share of the state's total homeless population, multiplied by the county allocation total ~~(\$212.8 million)~~.
 - *Example:* If a county is the only county in a CoC and that CoC represents 10 percent of the state's total homeless population, the county's allocation is $0.10 \times \$212.8 \text{ million} = \21.28 million .
- **If two or more counties** exist within a CoC, each county's allocation is first determined by its share of that CoC's overall PIT count, then multiplied by the CoC's proportionate share of the state's total homeless population, and finally multiplied by ~~\$212.8 million~~ **the county allocation total**.
 - *Example:* If County A and County B share a CoC that represents 5 percent of the state's total homeless population, and County A makes up 40 percent of that CoC's PIT count while County B makes up 60 percent, then:
 - County A's allocation = $0.40 \times (0.05 \times \$212.8 \text{ million}) = \4.256 million .
 - County B's allocation = $0.60 \times (0.05 \times \$212.8 \text{ million}) = \6.384 million .
- **If any county** exceeds \$85.12 million **for HHAP 6 or \$92.89 million for HHAP 7** (40 percent of the county allocation total), the excess amount is redistributed to all other counties proportionately.

Reallocation Methodology for Unexpended HHAP Awards

Below is the reallocation methodology referenced in [Section VI.C., "Reallocation Methodology for Unexpended HHAP Awards"](#).

Reallocation Process for HHAP 1, 2, and 3 to Develop HHAP 7 Allocations

As of the publishing of this amended NOFA, the 100 percent expenditure deadlines for HHAP 1, 2, and 3 have passed.

- Per HSC section 50220(e), the 100 percent expenditure deadline for HHAP 1 was June 30, 2025.
- Per HSC section 50220.5(o), the 100 percent expenditure deadline for HHAP 2 was June 30, 2026.
- Per HSC section 50220.7(p), the 100 percent expenditure deadline was June 30, 2026.

Reallocation Steps:

1. HCD confirms unexpended HHAP 1 funds and reduces the HHAP 7 allocations of those Grantees by the amount unexpended as of June 30, 2025. HCD reallocates HHAP 1 funds equally among eligible Grantee(s) in the region. If no such Grantee exists, recaptured funds are added to the Prohousing Designation bonus.
2. HCD confirms unexpended HHAP 2 funds and reduces the HHAP 7 allocations of those Grantees by the amount unexpended as of June 30, 2026. HCD reallocates HHAP 2 funds equally among eligible Grantee(s) in the region. If no

such Grantee exists, recaptured funds are added to the Prohousing Designation bonus.

3. HCD confirms unexpended HHAP 3 funds and reduces the HHAP 7 allocations of those Grantees by the amount unexpended as of June 30, 2026. HCD reallocates HHAP 3 funds equally among eligible Grantee(s) in the region. If no such Grantee exists, recaptured funds are added to the Prohousing Designation bonus.
4. The Prohousing Designation bonus is reallocated among eligible applicants that have achieved Prohousing Designation according to the methodology in HSC section 50241(a).

Recapture of funds methodology when there are unexpended funds and other eligible applicants in the region

- **If there is only one other eligible Grantee in the region**, HCD will reduce the HHAP 7 allocation of the Grantee that failed to fully expend the prior round of HHAP by the amount of funds that were unexpended as of the 100 percent expenditure deadline. HCD will add that amount to the HHAP 7 allocation of the other Grantees in the region.
 - *Example:* County A and CoC Y are the Grantees in a region. County A failed to expend \$3,000 of HHAP Round 1 funds by June 30, 2025. As a result:
 - County A's HHAP 7 allocation will be reduced by \$3,000
 - CoC Y's HHAP 7 allocation will be increased by \$3,000
- **If there are multiple other eligible Grantees in the region**, HCD will reduce the HHAP 7 allocation of the Grantee that failed to fully expend the prior round of HHAP by the amount of funds that were unexpended as of the 100 percent expenditure deadline. HCD will divide that amount equally among the other eligible Grantees by adding this amount to the HHAP 7 allocation of the other eligible Grantees in the region.
 - *Example:* County A, City Q, and CoC Y are the Grantees in a region. Only County A failed to expend \$3,000 of HHAP Round 1 funds by June 30, 2025. As a result:
 - County A's HHAP 7 allocation will be reduced by \$3,000
 - CoC Y's HHAP 7 allocation will be increased by \$1,500
 - City Q's HHAP 7 allocation will be increased by \$1,500
- **If there are multiple eligible Grantees that failed to fully expend the same round of HHAP funding and other eligible applicants in the region**, HCD will reduce the HHAP 7 allocation(s) of the Grantees that failed to fully expend the prior round of HHAP by the amount of funds that were unexpended as of the 100 percent expenditure deadline. HCD will divide that amount equally among the other eligible Grantee(s) by adding this amount to the HHAP 7 allocation of the other eligible Grantee(s) in the region.
 - *Example:* County A, County B, City Q, and CoC Y are the Grantees in a region. County A failed to expend \$3,000 and CoC Y failed to expend \$5,200 of HHAP Round 1 by the June 30, 2025 deadline. As a result:
 - County A's HHAP 7 allocation will be reduced by \$3,000

- CoC Y's HHAP 7 allocation will be reduced by \$5,200
- County B's HHAP 7 allocation will be increased by \$4,100
- City Q's HHAP 7 allocation will be increased by \$4,100

Prohousing Designation Bonus Methodology

- **If there are no other eligible Grantees in the region**, HCD will reduce the HHAP 7 allocation(s) of the Grantee(s) that failed to fully expend the prior round of HHAP by the amount of funds that were unexpended as of the 100 percent expenditure deadline. Pursuant to HSC section 50239(i)(2)(B), HCD will add the amount(s) to the Prohousing Bonus Pool and reallocate these funds among Grantees that have achieved the Prohousing Designation. In reallocating these funds, HCD will use the methodology in HSC section 50241(a).
 - *Example:* County A and CoC Y are the only Grantees in a region. County A failed to expend \$3,000 and CoC Y failed to expend \$5,000 of HHAP Round 1 funds by June 30, 2025. There are 16 eligible Grantees in the state that have a Prohousing Designation. As a result:
 - County A's HHAP 7 allocation will be reduced by \$3,000
 - CoC Y's allocation will be reduced by \$5,000
 - HCD will add the \$8,000 to the Prohousing Bonus Pool.
 - HCD will increase the HHAP 7 allocation of the 16 eligible Grantees with a Prohousing Designation according to the methodology in HSC section 50241(a) (i.e., proportionate to the grantee's share of the total homeless population based on the homeless point-in-time count).