



## FACT SHEET

### AB 1708, Homeless, Housing Assistance, and Prevention Program (HHAP) Pathway for Cities

#### **SUMMARY**

AB 1708 would create a new pathway for cities with populations under 300,000 to access existing state homelessness funding while requiring clear accountability metrics aligned with the state's goals.

#### **BACKGROUND**

Since 2019, the Homeless Housing, Assistance, and Prevention Grant Program (HHAP) has provided direct and flexible state-funded grants to cities with populations over 300,000, all 58 counties, and the 44 Continuums of Care (CoCs) across California.

The California Department of Housing and Community Development (HCD) oversees the HHAP program. Funding is awarded to eligible jurisdictions through an annual application process and is allocated based on point-in-time counts.

42% of HHAP funding is distributed amongst the 14 cities with populations over 300,000. 28% of HHAP funding is distributed to California's 58 counties. The remaining 30% of HHAP funding is allocated to CoCs.

A CoC is a regional or local planning body that coordinates housing and services funding for homeless families and individuals, specific to the geographic needs of a region. There are 44 CoCs recognized by the US Department of Housing and Urban Development in California.

To be eligible for HHAP funding, CoCs, big cities and counties must submit a regionally coordinated action plan to HCD that identifies the specific roles and responsibilities of each jurisdiction in addressing homelessness. The plans are reflected in a memorandum of understanding (MOU) that commits each signatory to participate in and comply with the plans. Cities with populations under 300,000 may also sign the MOU and commit to complying with the plan. Counties are encouraged to allocate resources to smaller cities that elect to participate in the plan.

HHAP recipients, including CoCs, may expend HHAP funds directly or enter into agreements with subrecipients, such as nonprofit organizations or service providers, to carry out eligible HHAP activities.

Subrecipients operate programs or provide services using HHAP funds, and direct recipients are expected to oversee them to ensure compliance with HHAP program funding requirements.

SB 131 (Chapter 24, Statutes of 2025) provides a one-time \$500 million General Fund allocation for HHAP in the 2026-27 fiscal year. This planned funding will represent round seven of the program. With this funding, state General Fund support for HHAP since 2019-20 will total about \$5 billion.

SB 131 also requires that round seven funding be contingent on the enactment of future legislation that enhances accountability requirements for grantees, such as requiring local encampment policies consistent with administration guidance and demonstrating progress on housing-related performance metrics.

#### **PROBLEM**

Currently, only 14 of the state's 483 cities can access HHAP funding directly. There is no statutory requirement for direct HHAP recipients to equitably or meaningfully allocate funds to smaller cities in their region. As a result, many small and mid-sized cities lack a clear pathway to HHAP resources, even as they invest their own limited local dollars to address homelessness.

A 2024 League of California Cities survey of 205 cities across the state found that 60% of cities have been unable to access HHAP funding as subrecipients. 87% of cities have invested their own general fund revenues to address homelessness. 93% of cities are concerned about sustaining existing homelessness services over the long term, and 81% say inconsistent state funding has hindered their ability to address homelessness.

As the state continues to demand meaningful results in addressing homelessness across California, there needs



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to be a pathway for cities of all sizes to access state funding to supplement the work they are already doing to support their unhoused residents.

#### **SOLUTION**

AB 1708 would require CoCs, prior to allocating funding to other subrecipients, to accept applications for a period of 30 days only from cities in their region with populations under 300,000.

To be eligible to apply, interested cities must adopt a resolution committing to comply with their region's regionally coordinated action plan, have a compliant housing element, and have an encampment policy consistent with administration guidance.

Additionally, CoCs must prioritize applications from cities that have existing partnerships with non-profits, other cities or have already leveraged state and local funding for existing projects in their communities.

Local governments can be trusted to identify which programs and projects would have the most meaningful impact in their communities, ensuring that state funding continues to have the greatest impact in our communities.

#### **SUPPORT**

League of California Cities (sponsor)

#### **FOR MORE INFORMATION:**

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