

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 07/23)

Fiscal Year 2024-25	Business Unit Number 2240	Department Department of Housing and Community Development
Hyperion Budget Request Name 2240-021-BCP-2024-GB 2240-081-BCP-2024-MR		Relevant Program or Subprogram Various

Budget Request Title

Transition of Cal ICH Homelessness Grant Programs

Budget Request Summary

The Department of Housing and Community Development (HCD) requests new position authority for 17.0 positions in 2024-25 and ongoing to integrate and administer the California Interagency Council on Homelessness (Cal ICH) Homeless Housing, Assistance and Prevention (HHAP) and all other Cal ICH grant programs, as outlined in Chapter 40, Statutes of 2023 (Assembly Bill 129). Cal ICH will also transfer 22.0 existing positions that currently support grant operations to HCD to administer these programs.

Requires Legislation (submit required legislation with the BCP) <input checked="" type="checkbox"/> Trailer Bill Language <input type="checkbox"/> Budget Bill Language <input type="checkbox"/> N/A	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. **Project Approval Document:**

Approval Date: **Total Project Cost:**

If proposal affects another department, does other department concur with proposal? ☒ Yes ☐ No

Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Megan Kirkeby	Date 5/13/2024	Reviewed By Zack Olmstead	Date 5/13/2024
Department Director Gustavo Velasquez	Date 5/13/2024	Agency Secretary Tomiquia Moss	Date 5/13/2024

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Assistant Program Budget Manager Andrew March	Date submitted to the Legislature 5/14/2024
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A. Problem Statement

Due to increasing and ongoing responsibilities of grant development and administration since 2018, Cal ICH's attention has been shifted from fulfilling its core mission of overseeing the implementation of Housing First policies, guidelines, and regulations to prevent and end homelessness in California. As a result, there is a desire to transfer Cal ICH's grant programs to HCD, as specified in Chapter 40, Statutes of 2023 (Assembly Bill 129). By transferring Cal ICH grant administration to HCD, the grant programs will leverage HCD's significant expertise in grant administration and will be subject to HCD's accountability and enforcement expertise, ensuring greater homelessness reduction outcomes, and allowing Cal ICH to solely pursue its mission. This proposal requests resources for HCD to provide the critically needed capacity to administer the Cal ICH grants which will further align state homelessness funding.

The McKinney-Vento Homeless Assistance Act of 1987 was the first significant federal legislative response to homelessness and brought with it the establishment of the United States Interagency Council on the Homeless (USICH). USICH is an independent federal agency within the U.S. executive branch that leads the implementation of the federal strategic plan to prevent and end homelessness. USICH is advised by a Council, which includes the heads of its 20 federal member agencies. USICH partners with these federal agencies, state and local governments, advocates, service providers, and people experiencing homelessness to achieve the goals outlined in the first federal strategic plan to prevent and end homelessness, [Opening Doors](#).

USICH works with its partners to:

- Establish and maintain effective, coordinated, and supportive relationships with every federal agency;
- Organize and support states and communities to effectively implement local plans to end homelessness;
- Develop an effective portal to federal programs and initiatives;
- Establish and maintain productive communications with Congress;
- Establish partnerships with public and private sector stakeholders;
- Monitor, evaluate, and recommend improvements in serving those experiencing homelessness and disseminate best practices;
- Provide professional and technical assistance to states, local governments, and other public and private nonprofit organizations.

As unsheltered homelessness continued to rise, Cal ICH was authorized under Chapter 847, Statutes of 2016 (Senate Bill 1380) and was first known as the Homeless Coordinating and Financing Council. In 2021, Governor Newsom signed Chapter 398, Statutes of 2021 (Assembly Bill 1220), which renamed and restructured the Council to continue California's forward momentum towards the state's broader vision for greater statewide leadership and coordination around its response to the homelessness crisis.

However, Cal ICH has mostly been unsuccessful in achieving the higher-level function it was meant to, primarily because it has not been given the opportunity to exist solely in this capacity. Less than one year from its creation, and nearly every year thereafter, Cal ICH began receiving new state housing investments for implementation and oversight:

Year(s)	Legislation	Program Name	Dollar Amount (Total)
2018	Chapter 48, Statutes of 2018 (Senate Bill 850)	Homeless Emergency Aid Program (HEAP)	\$500 million

2020	Chapter 2, Statutes of 2020 (Senate Bill 89)	COVID-19	\$100 million
2021-2023	Chapter 111, Statutes of 2021 (Assembly Bill 140)	Family Homeless Challenge (FHC) Grant	\$40 million
2021-2023	Chapter 111, Statutes of 2021 (Assembly Bill 140)	Encampment Resolution Fund (ERF)	\$750 million
2020-2024	Chapter 159, Statutes of 2019 (Assembly Bill 101), Chapter 15, Statutes of 2020 (Assembly Bill 83) Chapter 111, Statutes of 2021 (Assembly Bill 140) Chapter 43, Statutes of 2022 (Senate Bill 154)	Homeless Housing, Assistance and Prevention Program (HHAP) <i>* including Tribal HHAP</i>	\$3.99 billion

USICH leadership has informed Cal ICH that of the forty-two state ICH entities, California is the only one to directly administer and oversee grants. Post transition of grants to HCD, the remaining structure of Cal ICH will more closely align with that of USICH, consisting of three branches: the first being that of the Executive Officer; the second of Statewide Coordination, which will primarily focus on the high-level coordination across Cal ICH's Council, comprised of 18 state department and agencies, the 31 member Advisory Committee, the 11 member Lived Experience Advisory Board and the 5 working groups; the and third consisting of Policy (including development, implementation and evaluation of the Statewide Action Plan to End and Prevent Homelessness), Local Initiatives and Data and Research (which includes operation of Homelessness Data Integration System, or HDIS). While this third branch will support the work of the Council and of the Statewide Action Plan, it will also support implementation of best evidence-based and best practices across Council member department and agencies and in local jurisdictions, including Continuums of Care (CoC). To support the balance of this work, Cal ICH will retain 26.0 existing positions in 2024-25 and ongoing. Because Cal ICH positions, contracts and operations are currently supported by grants proposed for transition to HCD, Cal ICH is requesting reimbursement authority in the annual amount of \$14.2 million (\$509,000 in salaries and benefits and \$14.191 in contracts) in 2024-25 and ongoing. This figure only includes funding that will need to be reimbursed to Cal ICH by HCD for grants; it does not include existing positions supported by State Operations.

HCD requests new position authority for 17.0 positions in 2024-25 and ongoing to integrate and administer the above Cal ICH housing investments, as described in Assembly Bill 129. Cal ICH will also transfer 22.0 existing positions to HCD to administer these programs. The total position authority of 39.0 includes all the positions necessary to perform accountability enforcement of the regionally coordinated homelessness action plans for the HHAP grant. This will also support HCD's expansion of its existing Housing Accountability Unit, to homelessness issues, building on existing work to more deeply integrate the state's housing and homelessness investments by bringing relevant policy expertise and major grant programs in-house and helping to better align policy programs, grants management, and external accountability efforts. This expanded unit has been re-envisioned as the Housing and Homelessness Accountability Results and Partnership (HHARP) unit.

Because HHAP is the only Cal ICH program discussed in Assembly Bill 129 as it relates to accountability, it will be the program of focus for the remainder of this document. However, the requested resources will also be further administering the other Cal ICH grant programs and will assist in making the expansion of HAU into HHARP a reality.

The HHAP block grant program was established by Chapter 159, Statutes of 2019 (Assembly Bill 101) under Cal ICH to provide California jurisdictions (i.e., designated cities, counties, local

Homeless Continuums of Care, and federally recognized tribes in Rounds 3 and 4) with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. HHAP is informed by a best-practice framework focused on moving people and families experiencing homelessness into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. HHAP funding requires grantee coordination with other jurisdictions to identify regional needs and strategically address homelessness.

In 2019-20, HHAP initially provided \$650 million in grant funds, commonly referred to as Round 1, to local jurisdictions to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. HHAP Round 2 funding was authorized by Chapter 15, Statutes of 2020 (Assembly Bill 83) and provided \$300 million in grant funding to local jurisdictions to continue to build on regional collaboration developed through the previous rounds and to develop a unified regional response to homelessness. HHAP Round 3 was authorized by Chapter 111, Statutes of 2021 (Assembly Bill 140), providing local jurisdictions, including federally recognized tribal governments, \$1 billion in flexible grant funding to continue efforts to end and prevent homelessness in their communities. HHAP Round 4, was authorized by HSC 50218.7, providing local jurisdictions, including federally recognized tribal governments, with an additional \$1 billion in flexible grant funding to continue efforts to end and prevent homelessness in their communities.

With the enactment of the Budget Act of 2023, Chapter 38, Statutes of 2023 (Assembly Bill 102) and Assembly Bill 129, the Administration and the Legislature signaled intent to increase housing and homelessness program administration efficiencies and accountability for state-funded grantees to enhance effectiveness with the inclusion of \$1 billion in HHAP Round 5 funding to be allocated to local jurisdictions in 2023-24, under HCD. Further, Assembly Bill 129 transfers the administration of various other housing and homelessness programs currently administered by Cal ICH, to HCD. The transition will be phased, beginning with the transfer of the HHAP administration grants beginning in 2023-24, and some of the existing Cal ICH positions will be transferred to HCD to support the continued administration of the programs.

Specifically, HCD has estimated the need for 39.0 permanent ongoing positions, 22.0 of which will be transferred from Cal-ICH. The positions will support the following areas:

Planning Grants and Incentives Branch - 18.0 positions for program and policy administration, technical assistance, and accountability activities within the Division of Housing Policy Development (HPD), to be transferred from Cal ICH. 17.0 of these positions will be transferred from Cal ICH, and 1.0 new position is requested.

State Grants Management Branch - 21.0 positions to support grants management of the existing Cal ICH programs, funding compliance and enforcement of affordability provisions and investment sustainability within the Division of State Financial Assistance (DSFA). 5.0 of these positions will be transferred from Cal ICH, and 16.0 new positions are requested.

Resource History Tables

(Dollars in thousands)

Planning Grants & Incentives	PY - 4*	PY - 3*	PY - 2*	PY - 1	PY	CY
Authorized Expenditures	-	-	-	\$3,052	\$3,443	\$3,443
Actual Expenditures	-	-	-	\$2,109	\$3,443	\$3,443
Authorized Positions	-	-	-	25.0	28.0	28.0
Filled Positions	-	-	-	17.0	28.0	28.0
Vacancies	-	-	-	8.0	0.0	0.0
Vacancy Rate	-	-	-	32%	0%	0%

*Branch was not established until July 1, 2021.

State Grants Management	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Authorized Expenditures	\$608	\$608	\$2,938	\$4,295	\$4,815	\$4,815
Actual Expenditures	\$479	\$608	\$2,815	\$4,171	\$4,445	\$4,445
Authorized Positions	5.0	5.0	23.0	33.0	37.0	37.0
Filled Positions	4.0	5.0	22.0	32.0	34.0	34.0
Vacancies	1.0	0.0	1.0	1.0	3.0	3.0
Vacancy Rate	20%	0%	4%	3%	8%	8%

Workload History Tables (HCD)

Workload Measure	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
HCD Active Programs	73	89	95	110	113	110
HCD Department Budget (in millions)	\$1,169	\$3,024	\$6,863	\$12,146	\$12,564	\$3,824

Planning Grants and Incentives*	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Planning grant/incentive design and implementation	30	270	585	110	20	48
Local government technical assistance and guidance development	50	75	600	800	800	600
Housing element review and findings	99	135	118	337	532	500
Grant administration, reimbursements and monitoring	-	57	122	255	414	800

*Branch was not established until July 2021.

State Grants Management	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Local Housing Trust Fund (LHTF), Pet Assistance and Support Program (PAS) Contracts	0	0	21	36	87	99
Joe Serna, Jr. Farmworker Housing Grant Program (FWHG), Transitional Aged Youth Programs (TAY) Contracts	0	0	11	59	137	200
CalHome, Golden State acquisition Fund (GSAF) Contracts	1	1	7	54	94	95
CalHome, GSAF Reuse Reports	500	500	500	500	500	500
Permanent Local Housing Allocation (PLHA) Contracts	0	0	110	170	250	300
Homekey, California Emergency Solutions and Housing Program (CESH) Contracts	0	43	190	306	306	352

Workload History Tables (Cal ICH)

ERF-1	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Number of Applications Received	-	-	-	39	NA	NA
Number of Applications Awarded	-	-	-	19	NA	NA
Number of Technical Assistance Contracts Supporting Awards	-	-	-	-	-	-

*Program was not established until 2021-22.

ERF-2 (L, R)	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Number of Applications Received	-	-	-	-	100	NA
Number of Applications Awarded	-	-	-	-	38	NA
Number of Technical Assistance Contracts Supporting Awards	-	-	-	-	2	2

*Program was not established until 2022-23.

ERF-3	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Number of Applications Received	-	-	-	-	NA	NA
Number of Applications Awarded	-	-	-	-	NA	NA
Number of Technical Assistance Contracts Supporting Awards	-	-	-	1	2	2

*Program was not established until 2021-22.

FHC	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Number of Applications Received	-	-	-	32	-	-
Number of Applications Awarded	-	-	-	10	-	-

Number of Technical Assistance Contracts Supporting Awards	-	-	-	0	-	-
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*Program was not established until 2021-22.

HHAP (1-4)	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Number of Applications Received	-	-	101	173	148	NA
Number of Applications Awarded	-	-	101	173	148	NA
Number of Technical Assistance Contracts Supporting Awards	-	-	1	2	3	NA

*Program was not established until 2020-21.

Tribal HHAP (1-2)	PY - 4	PY - 3	PY - 2	PY - 1	PY	CY
Number of Applications Received	-	-	-	-	16	22
Number of Applications Awarded	-	-	-	-	16	22
Number of Technical Assistance Contracts Supporting Awards	-	-	-	-	0	1

B. Justification

This request will achieve the intent of the Administration and the Legislature to move housing and homelessness grant programs currently under Cal ICH to HCD to utilize its expertise in administering grant programs, thereby allowing the Cal ICH to focus on statewide leadership and coordination of the State's response to the homelessness crisis.

As a lead administrator of the State's priority housing initiatives and investments, HCD is uniquely positioned to administer Cal ICH's existing portfolio of grants, including HHAP. HCD has a long history of awarding loans and grants to public and private housing developers, nonprofit agencies, cities, counties, state, tribal and federal partners to support affordable housing and stable shelter options for those experiencing homelessness. HCD develops housing policy, building codes, and regulates manufactured homes as well as mobilehome parks. Further, in 2021, the Housing Accountability Unit was established within HCD, with the goal of increasing stringent enforcement and oversight of local implementation of state initiatives to create more housing in California, faster. HCD is also responsible for California's Statewide Housing Plan, which provides a roadmap to ensuring every Californian has a safe, stable, and affordable home. HCD's success with one-time, high-volume local and regional grant programs, such as the SB 2 Planning Grants, Local Early Action Planning Grants, Regional Early Action Planning Grants, and Regional Early Action Planning 2.0 Grants, as well as the accountability enforcement work of the Housing Accountability Unit, make it well-positioned to integrate the administration of these programs. In bringing these resources in-house, HCD will be able to better leverage homelessness policy and program expertise as HHARP's scope will include homelessness issues. These resources will allow HCD to bring increased accountability to the state's homelessness policy in two ways: by providing increased oversight and management of state homelessness grants, and by bring an increased focus on homelessness issues and homelessness-related aspects of state housing and civil rights law to its existing housing accountability work. Both of these efforts will help drive better outcomes at both the state and local levels.

HCD uses a variety of tools to prevent and end homelessness, from providing technical assistance and funding to support local jurisdictions in planning for sufficient housing to

increase affordability and addressing constraints, to ensuring affordable home production is not unduly delayed or unfairly denied, to funding the production and preservation of affordable homes for people and families experiencing homelessness and utilizing state land for affordable homes. The HHAP Program provides another tool in the form of funding for Homeless CoCs, counties, large cities, and tribal governments to use toward evidence-based solutions that address and prevent homelessness, such as rapid rehousing, operating subsidies for supportive housing, and services coordination.

The transfer of the HHAP Program from Cal ICH to HCD will require close communication and collaboration between state agencies and to funded grantees and jurisdictions. Cal ICH must issue an application for HHAP Round 5 by September 30, 2023. HCD will shadow this process, transitioning existing program staff from Cal ICH and beginning recruitment for needed positions in Fall and Winter of 2023. Per statute, the full transition of administration will be complete by July 1, 2024. HCD will work closely with Cal ICH to provide adequate notice and guidance to current and eligible HHAP grantees.

To effectively administer HHAP funding and meet required timeframes, HCD requests position authority for 39.0 positions in 2023-24 and ongoing, outlined below. Cal ICH will transfer 22.0 positions to HCD and 17.0 net new positions are requested. Without the requested resources, HCD will inherit the HHAP program and other Cal ICH grant programs without the comprehensive resources needed to properly administer them.

Planning Grants and Incentives Branch

HCD plans to administer the inherited Cal ICH programs with the Planning Grants and Incentives Branch within the Housing Policy Development Division. HCD's planning grant and incentive activities conducted in recent years provides experience, templates and infrastructure that will support an efficient and accountable transition. The current planning grants team is performing similar functions but will not be able to absorb the workload given current activities managing the Prohousing Designation Program, Prohousing Incentive Program, technical assistance, and the implementation and monitoring of various planning grant rounds.

The Planning Grants and Incentives team oversees the Prohousing Designation Program and Regulations, the Prohousing Incentive Program, SB 2 Planning Grants, Local Early Action Planning Grants, Regional Early Action Planning Grants, the Regional Early Action Planning Grants 2.0 (REAP 2.0), and ongoing Regional-specific Technical Assistance Programs. They also lead on Housing Element Reviews and Findings. HPD uses technical assistance and capacity building, along with other accountability practices with the goal of bringing all jurisdictions into compliance and maintaining that compliance throughout the cycle. At the same time, the team has brought 27 jurisdictions and counting into the Prohousing Designation Program, which rewards jurisdictions for going above and beyond the law. They also implement the three-part interagency REAP 2.0 program. All of the planning grant programs are reimbursement based and also require ongoing monitoring and compliance work to ensure funds are used as intended and local governments receive implementation support.

This request will provide significant benefit to HHAP Program constituents and applicants, as the Planning Grants and Incentives Branch currently works directly with the state's 482 cities and 58 counties on their Housing Elements (i.e., housing plans) to meet the needs of local communities pursuant to Government Code 65589.9. Housing Elements represent a jurisdiction's commitment to take actions within its control to thoughtfully remove constraints to housing and encourage the development of planned housing. Housing Elements are the most critical factor in ensuring the equitable planning of local jurisdictions to meet community housing needs and goals and preventing and ending homelessness. Integrating HHAP within

the team overseeing local housing plans will support strategic use of funds to further broader housing and homelessness efforts and will create state funding efficiencies in utilizing an established administrative infrastructure and technical assistance activities. Further, HCD's standard agreement, resolution, and contract management infrastructure will provide valuable templates to enhance existing HHAP protocols.

The Planning Grants and Incentives Branch will also leverage the Homeless CoC relationships built through the HCD's Division of Federal Financial Assistance's Emergency Solutions Grant work to support strategy and efficiencies with that stakeholder community. Further, the Housing Policy Development Division's current Housing Accountability Unit is experienced at a technical assistance and incentives-first approach to compliance with housing law, and utilizing collaborative partnerships and education to ensure housing outcomes are met. With the intent to also enhance accountability measures of homelessness resources, having the programmatic implementation of the homeless grant programs working side by side with the accountability network will increase efficiency and ideally the outcomes of those resources. HCD also has experience administering a competitive tribal housing grant program through Regional Early Action Planning 2.0, and the Prohousing Incentive Program bears many similarities to the bonus structure within HHAP. This will support equity for lower-income and vulnerable populations by holding applicants accountable to grant commitments and compliance.

To effectively administer HHAP funding and meet required timeframes, the Planning Grants and Incentives Branch requires 18.0 positions in 2023-24 and ongoing, outlined below. This includes 1.0 new position and 17.0 positions transferred from Cal ICH.

1.0 Office Technician (transferred position) will:

- Provide clerical support and prepare documents for the SSM III.
- Review, create, and maintain program documentation.
- Route inquiries to appropriate staff members.
- Schedule appointments, meetings, and maintain staff calendars.

1.0 Staff Services Manager II (transferred position) will:

- Supervision and mentorship of the team.
- Program design guidance.
- Systems development and transition assistance.
- Oversee technical assistance and accountability efforts.
- Project management of guidelines development with broader team and stakeholder input.
- Coordination with State Grants Management on long term asset management compliance.

3.0 Staff Services Manager Is (transferred positions) will:

- Outreach coordination.
- Assign reviews.
- Quality assurance and control across reviews.
- Management and mentorship.
- Address or refer to HCDS II issues identified and escalated by HCD Representatives.

3.0 HCD Specialist IIs (transferred positions) will:

- Play a project lead role on guidelines development.
- Senior level review of applications and action plans.
- Develop technical assistance materials to assist applicants in implementation of key actions.
- Monitor key actions, ensuring they are carried out.

- Investigate and engage in technical assistance or accountability remedies as necessary to ensure program compliance with relation to action plans and investment commitments.
- Analyze program impact and make recommendations for program improvements.

1.0 Research Data Specialist 1 (transferred position) will:

- Design and develop data reporting activities and research projects.
- Liaise with Cal ICH for appropriate Homelessness Data Integration System (HDIS) data and reporting needs.
- Design and produce complex grant research products.
- Compile and write documents, white papers, issue and technical briefs, and fact sheets.

8.0 HCD Representative IIs (transferred positions) will:

- Outreach and public workshops.
- Action plan reviews and findings.
- Application reviews and findings.
- Technical assistance to applicants.
- Grant tracking and processing.
- Standard agreement development and coordination with contracts, budgets, accounting, and legal to ensure timely execution.
- Data entry.
- Basic analysis and summarization of reported metrics.

1.0 Career Executive Assignment, Range C (new position) will:

- Coordinate and lead internal and interagency meetings to discuss all homelessness matters including enforcement, accountability, and local assistance.
- Document review and feedback.
- Outreach and education/public speaking.
- Review escalated accountability recommendations.
- Hiring, Supervision, performance management.
- External affairs with Legislature and applicants.
- Executive level guidance and Project management.
- Transition Management.

State Grants Management Branch

The HHAP portfolio consists of over 500 contracts, from Rounds 1 through Round 4, which will be transferred to HCD on November 1, 2023. Each funding round has resulted in approximately 100 contracts. It is assumed that the contracts are a five-year monitoring. HCD will inherit over 500 active contracts to monitor and provide TA, along with another approximately 100 contracts in Round 5, anticipated to take place in 2023-24. This will result in approximately 500 contracts with immediate work and 100 contracts within the 2023-24 fiscal year. While the number of contracts per HCD Representative will be larger than the 30 contracts per Representative standard, and HHAP comes with its own complexity, SGM staff believes that due to most of the contracts already being set up, a portion of disbursements already being made, and certain monitoring systems already established, this should be a manageable contract to representative ratio.

Additionally, since the HHAP Program serves people experiencing homelessness, it must comply with Chapter 397, Statutes of 2021 (Assembly Bill 977), which requires grantees of state-funded homelessness programs to enter specific data elements related to individuals and families into the Homeless Management Information System (HMIS). Monitoring of this will require HCD staff to work with Cal ICH and their contractor, Abt Associates, to compare HMIS

quarterly data against information provided by grantees in their reporting to ensure the number of individuals being served matches the number of individuals identified in HMIS. Any new HHAP contracts with HCD would include language in the Standard Agreement about the data requirement.

The transition is anticipated to begin by August 1, 2023, in which HCD staff will start meeting with Cal ICH liaisons to transfer information on program and funding requirements and, grantee awards or contracts outcomes and expenditures status, and TA or monitoring flags.

To effectively administer HHAP funding and meet required timeframes, the State Grants Management Branch requires 22.0 positions in 2023-24 and ongoing, outlined below. This includes 17.0 new positions and 5.0 positions transferred from Cal ICH.

1.0 Staff Services Manager II (transferred position) will:

- Coordinate and communicate with HCD management.
- Lead or participate in internal HCD working groups.
- Identify program changes and oversee staff and/or consultant implementation.
- Oversee and direct work of the Manager 1 and Specialists.
- Attend relevant coordination and information meetings.
- Correspondence

2.0 Staff Services Manager Is (1.0 new position and 1.0 transferred position) will:

- Supervise and provide direction to staff on compliance and monitoring.
- Review written products (e.g., standard agreements, manuals, guidelines).
- Provide high-level TA to external stakeholders.
- Collaborate with internal stakeholders.
- Manage personnel issues with staff.

6.0 HCD Representative (HCDR) IIs (3.0 new positions and 3.0 transferred positions) will:

- Review reports.
- Set-up new projects in Enterprise Systems.
- Process disbursement of funds.
- Conduct risk assessments.
- Provide TA to grantees.
- Attend relevant coordination and information meetings.

Accounting Office – Accounting requests 1.0 positions in 2023-24 and ongoing to support the increased accounting workload:

1.0 Associate Accounting Analyst will:

- Attend Ad Hoc Program Meetings.
- Perform Reconciliation of Grants.
- Voucher Reconciliation.
- Grant Financial Review and Approval.
- Process Plan of Financial Adjustment.
- Agency and Fund Reconciliation.
- Contract payment reconciliations.
- Record financial activity in FI\$Cal including, review and approve purchasing documents in FI\$Cal for availability of budgeted funds for the period, expenditures stated, and for correct coding.
- Monitor the cash and appropriation balances and communicate possible problems to management.
- Complete monthly reconciliations between FI\$Cal and SCO's monthly fund and appropriation reconciliation reports.

- Prepare monthly detailed management report, cash analysis report for upper management, and Plans of Financial Adjustments.
- Responsible for year-end financial statements for the assigned funds.
- Prepare manual financial statements from FI\$Cal accounting system.
- Act as the Travel Coordinator and travel subject matter expert for all HCD travel-related processes, updates, and data.
- Review, monitor and prepare travel expense claims and advances utilizing Concur software and other tools and resources.
- Assist with identifying RF variances between systems, process vouchers in FI\$Cal, make corrections and update logs.

Budget Office - Budgets requests 1.0 position in 2023-24 and ongoing to support the increased budgetary workload:

1.0 Staff Services Manager I (Specialist) will:

- Perform the most technical state budgeting tasks, including DOF technical budget drills.
- Provide Budget and Expenditure report review, fiscal analysis, management activities.
- Allotment Preparation.
- Form 619 Processing.
- Purchase Order processing.
- Process Electronic Request for Personnel Action and 607s.
- Create processes and data driven reports using Power Business Intelligence (PowerBI), FI\$Cal, Hyperion, and other ad hoc data systems.
- Program support and technical assistance, including monthly program meetings and liaise with the Department of Finance, Business, Consumer Services and Housing Agency, and other internal and external customers.

Business and Contract Services Branch - Business and Contract Services requests 2.0 positions in 2023-24 and ongoing to support the associated workload:

2.0 Associate Governmental Program Analysts will:

- Process Service Contract activities both IT and Non-IT.
- Process Local Assistance Contracts.
- Develop Solicitation Documents, Award Contracts.
- Meet and/or communicate with external program customers.
- Communicate with DGS/OLS or other control agencies.
- Review and analyze existing and new policies and procedures.
- Encumber funds in FI\$Cal, Enter all grant required data into CAPES and other workload trackers and/or systems.
- Process Service Orders (under \$10,000).
- Meet and/or communicate with external program customers.

Financial Management Office - Financial Management requests 1.0 positions in 2023-24 and ongoing to support the increased workload:

1.0 Associate Accounting Analyst will:

- Coding for Abatement and Receipts
- Analyze and Process Encumbrance and Disencumbrance Documents.
- Complete Audit Confirmations.
- Perform Grant Receipt Reconciliations.
- Calculate/Track Year End Balances.
- Review Check Requests for Accuracy and Process Disbursements to Accounting for Payment.

- Perform Contract Balance Reconciliations.
- Provide Cashflow Projections for Control Agencies.
- Complete Program Reporting for Local Assistance and State Operations Balances.

Human Resources Branch - Human Resources requests 2.0 positions in 2023-24 and ongoing to support the increased workload:

1.0 Personnel Specialist will:

- Perform critical core responsibilities including appointments, separations, payroll, and benefits, leave accounting, retirement, workers compensation, state disability, onboarding new employees.

1.0 Associate Personnel Analyst will:

- Perform critical core responsibilities in all areas of recruitment and selection. Review and approve duty statements.
- Ensure organizational alignment of all positions.
- Work with program on all new positions and all re-alignments and reorganizations to ensure appropriate allocations and compliance with approved CalHR and DOF positions.
- Review of existing and new CEA concepts and control agency approval.

Information Technology Branch – Information Technology requests 1.0 positions in 2023-24 and ongoing to support the increased workload:

1.0 Information Technology Specialist II (Lead Business Analyst) will:

- Work with HCD stakeholders, business partners, technical staff and other project team members to elicit, document, validate and prioritize system and business requirements /user stories and process workflows, and identify, evaluate, and develop technical solutions to ensure long-term business and technology strategies are met.
- Collaborate with stakeholders to resolve conflicts and prioritize requirements.
- Create and maintain requirements repository and ensure that system documentation is complete.
- Manage requirements throughout the project lifecycle and thereafter in maintenance and operations, ensuring traceability and change control.
- Provide UAT support when applicable.
- Prepare and maintain Project Scope and requirements documents, prepare presentations, and attend project meetings.
- Collaborate with the functional and technical teams to review requirements documentation is accurate and complete.
- Conduct meetings and training sessions to acquire knowledge from program.
- Analyze and compare solution options, considering costs, benefits, and risks.
- Make recommendations based on business needs and industry best practices during maintenance and operations phase.

Legal Affairs Division - Legal Affairs requests 3.0 positions in 2023-24 and ongoing to support the increased workload:

1.0 Supervising Attorney will:

- Coordinate and lead internal enforcement, accountability, and local assistance meetings.
- Identify risks, legal issues, and resources to solve for specific issues.
- Assist with Executive Order drafting and engage with related stakeholders.

- Negotiate and draft Memoranda of Understanding (MOU) and interagency agreements (IA's) to memorialize cross-jurisdictional responsibilities.
- Draft and perform annual reviews, probation reports, review and approve time sheets for supervised staff.
- Research, review, draft, and edit the most complex and time-sensitive homelessness legal issues and provide verbal and written legal advice to executive-level decisionmakers.
- Prepare and present comprehensive and innovative legal options for executive-level meetings.
- Provide expedited review and supervising of staff drafting of Standard Agreement boilerplate to encumber and disburse homelessness funds to individuals, localities, and other legal entities.
- Provide expedited drafting of other necessary legal instruments (e.g., competitive bidding documents, use restrictions, letters of credit) regarding homelessness efforts and programs.
- Develop innovative legal solutions, opine on complex legal questions, and provide corresponding direction and mentorship to lower-level Attorneys regarding homelessness.
- With legal and policy (non-legal staff), coordinate proactive and comprehensive homelessness response plans and programs to address all legal and risk-management issues that fall within the Department's jurisdiction, including mobilehome parks, housing preservation and State and Federal single- and multifamily housing.
- Draft statutes, regulations, and guidelines to facilitate homelessness in the short term and to sustain effective responses over the long term.

1.0 Attorney IV will:

- Client Meetings with other Divisions.
- Internal Unit Meetings.
- Research, review, draft, and edit the most complex and time-sensitive homelessness legal issues and provide verbal and written legal advice to executive-level decisionmakers. Legal issues including enforcement and local assistance to and for local jurisdictions (including tribal entities) in accordance with federal and state rules.
- Prepare and present comprehensive and innovative legal options for executive-level meetings.
- Drafting of Standard Agreement boilerplate to encumber and disburse homelessness funds to individuals, localities, and other legal entities.
- Expedited drafting of other necessary legal instruments (e.g., competitive bidding documents, use restrictions, letters of credit) regarding homelessness efforts and programs.
- With legal and policy (non-legal staff) coordinate proactive and comprehensive homelessness response plans and programs to address all legal and risk-management issues that fall within the Department's jurisdiction, including but not limited to: mobilehome parks, housing preservation and State and Federal single- and multifamily housing.
- Initial drafting of statutes, regulations, and guidelines to facilitate homelessness in the short term and to sustain effective responses over the long-term.

1.0 Attorney III will:

- Subject matter expert on homelessness matters, including tribal, local, regional, state, and federal relevant laws.
- Review of program legal documents including standard agreement boiler plate and individual standard agreement reviews.

- Make recommendations related to program modifications as necessary for tribal governments.
- Main point of contact for legal inquiries on guideline development inquiries and contracting.
- California Public Record Act legal review and support (given volume of public record act request for other homelessness programs this is expected to be substantial).

Organizational Development Division - Organizational Development requests 1.0 position in 2023-24 and ongoing to support the increased workload:

1.0 Staff Services Manager I (Specialist) will:

- Plan, design, and present an organizational change management plan for the transition of Cal ICH grant programs and staff, including but not limited to determining the scope of work, identify sequence of steps, collect, and interpret data, and develop a comprehensive implementation and communication plan.
- Prepare and deliver presentations on change management strategies to staff and management on change.
- Support, maintain, and continuously improve the enterprise risk program to ensure that HCD has the assessment capabilities and tools that supports its risk management strategy related to organizational change management initiatives.
- Collaborate with other divisions within the department on reporting systems to improve transparency and provide a better understanding of HCD's most significant risk exposures.
- Responsible for improving organizational awareness of enterprise risks that are considered significant for both their potential harm (impact) and the chance that these risks might occur (probability).

C. Departmentwide and Statewide Considerations

This request reflects the Administration's clearly stated commitment to confronting the challenges of housing affordability, homelessness, and the related impacts on public health and safety, the economy, racial equity, and climate change. In recent years, the state has invested in and implemented a range of data-informed, innovative strategies to streamline and incentivize various types of housing development, expand the supply of affordable homes, and reduce and prevent homelessness – much of which HCD has been tasked with administering to meet the state's commitments.

This request aligns with HCD's Strategic Plan objectives, including leading the policy agenda, improving collaboration with stakeholders, and strategically investing internal resources. It also aligns with HCD's Strategic Plan core value of accountability. Further, this request aligns with California's Statewide Housing Plan, dated March 2022, targeting the development of 2.5 million homes in the next eight years, with no less than 1 million for lower-income households, to ensure every Californian has a safe, stable, and affordable home. This request will streamline and strengthen administrative efficiencies and accountability within HHAP, furthering the Administration's commitment to addressing the state's housing crisis – specifically for low-income and vulnerable populations, and will support local and regional activities to address immediate challenges. HCD will closely coordinate with Cal ICH, with the oversight and support of Agency, in the transition and ongoing management of HHAP and other grant programs.

D. Outcomes and Accountability

With the requested resources, HCD will leverage its established infrastructure and relationships to ensure an effective transition of the HHAP Program, timely delivery of future allocations, and responsive technical assistance to grantees (i.e., designated cities, 58 counties, 44 Homeless CoCs, and tribal governments) to support local implementation, compliance, and risk-mitigation. Transitioning the administration of HHAP under HCD will support the state's cost-effective, efficient, and strategic support to local governments in addressing their local housing plan goals and landscapes, which will in turn support equity-centered housing development to meet the needs of all Californians, especially very-low, low-income, and unsheltered, and vulnerable populations in the state.

The requested resources will coordinate key actions, provide technical assistance, monitor, and report progress, and engage accountability enforcement as necessary. HCD will be able to maintain service agreements, ensure commitments are met, and comply with control agency reporting timeframes. Further, HCD will be able to ensure the success of HHAP without compromising HCD's existing programming. HCD also provides long-term asset management and affordability compliance functions that will assist in verifying populations are appropriately served, as well as the financial and physical health of funded properties.

Progress will be monitored via reporting requirements established outlined in HSC §§ 50221, 50222, and 50223, which requires grantees to track and share progress and performance data collected with the state. Assembly Bill 129 adds that HCD must publish those progress reports on its website, as well as Round 5 applicant, denial, and grantee award details. The HHAP Program requires grantees to set aside a minimum of 8-10 percent per round for youth experiencing homelessness – an underserved population. Additionally, Chapter 397, Statutes of 2021 (Assembly Bill 977) mandates that grantees of the HHAP Program enter specific data elements into the Homeless Management Information System (HMIS) on a quarterly basis, which is compiled into the state's Homeless Data Information System (HDIS) and used by the state to better understand the landscape of homelessness in California.

Further, per Assembly Bill 129, the HHAP Program now requires housing element compliance, which is under HCD's purview. The new regional action plan review work under HCD will complement current Housing Element reviews conducted by HCD and improve accountability and alignment of state housing investments. Similar to HCD's role in statewide Housing Element compliance oversight, the team will engage with HHAP grant commitments in a similar fashion to ensure accountability. Progress will be monitored via an established enterprise database, which allows HCD to track compliance with statutory requirements, generate data necessary to implement statutory obligations, and provide transparency to the public.

As the accountability component of HHAP ramps up, the legal support team will become much more important. To date, the HHAP program has been light on accountability and compliance verification. The program has not yet held back disencumbered funds for failure to meet promised commitments and key actions. As awardees are held to these commitments, it is all but certain legal partnership will be needed to support these accountability actions. Further, legal partnership will be important for embedding accountability into future NOFAs and standard agreements. In addition, HCD has seen Homekey, Prohousing, and its Planning Grant programs draw numerous Public Record Act requests as community members that are resistant to housing seek to closely track efforts around housing and homelessness. These legal resources will also be available to help the Housing Accountability Unit expand its focus to include homelessness issues as it transitions to HHARP.

Projected Outcomes Tables

Planning Grants and Incentives	CY	BY*	BY+1*	BY+2*	BY+3*	BY+4*
Guidelines update	1	1	1	1	1	1
Outreach and upfront technical assistance: individual contacts and public workshops	250	250	100	75	75	50
Application Reviews and Findings (~240 potential applicants including Tribal Governments)	150	150	175	175	175	200
Action Plan Reviews (Completed regionally, 44 COCs total)	44	44	44	44	44	44
Standard agreements (assumes greater participation over time as more grantees apply and pass threshold)	100	100	100	115	115	130
Deeper technical assistance to support implementation and key action completion, accountability as necessary	50	50	50	50	50	50
Program evaluation and recommendation for continuous improvement	1	1	1	1	1	1

*HHAP was appropriated \$1 billion in 2023-24, and HHAP has reserve bonus funds that will be distributed; the Legislature stated intention to fund more next year, but out years are not guaranteed.

State Grants Management	CY	BY	BY+1	BY+2	BY+3	BY+4
HHAP Contracts	500	400	400	400	400	400
Transfer Planning and Ongoing Coordination Hours	400	400	400	400	400	400
AB 977 Compliance and Reporting Hours	680-800	680-800	680-800	680-800	680-800	680-800
Programmatic Materials and Reports Development; Ongoing Maintenance Hours	960	960	960	960	960	960
Hours Reviewing/Monitoring of Contracts	5,420	5,420	5,420	5,420	5,420	5,420
Hours Providing Technical Assistance to Grantees	1,800	1,800	1,800	1,800	1,800	1,800
Risk Analysis/Program Data Review and Analysis Hours	1,080	1,080	1,080	1,080	1,080	1,080

E. Implementation

Cal ICH must issue an application HHAP Round 5 by September 30, 2023. HCD will shadow and begin transition work at that time in phases: 1) transitioning existing program staff from Cal ICH, 2) filling vacant positions transferred from Cal ICH, and 3) administratively establishing key

positions outlined in this proposal and recruiting them. Per statute, the full transition of administration will be complete by July 1, 2024.

F. Supplemental Information (If Applicable)

- Workload Analysis
- Current and Proposed Organization Charts

BCP Fiscal Detail Sheet

BCP Title: Transition of Agency/Cal-ICH Homelessness Programs

BR Name: 2240-021-BCP-2024-GB

Budget Request Summary

Personal Services

Personal Services	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Positions - Permanent	0.0	26.0	26.0	26.0	26.0	26.0
Total Positions	0.0	26.0	26.0	26.0	26.0	26.0

Fund Summary

Fund Source

Fund Source	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Total State Operations Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

Program Summary

Program Funding

Program Funding	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Total All Programs	\$0	\$0	\$0	\$0	\$0	\$0

Personal Services Details

Positions

Positions	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
1139 - Office Techn (Typing)	0.0	1.0	1.0	1.0	1.0	1.0
4800 - Staff Svcs Mgr I	0.0	5.0	5.0	5.0	5.0	5.0
4801 - Staff Svcs Mgr II (Supvry)	0.0	2.0	2.0	2.0	2.0	2.0
5742 - Research Data Spec I	0.0	1.0	1.0	1.0	1.0	1.0
8962 - Housing & Community Develmt Rep II	0.0	14.0	14.0	14.0	14.0	14.0
9037 - Housing & Community Develmt Spec II	0.0	3.0	3.0	3.0	3.0	3.0
Total Positions	0.0	26.0	26.0	26.0	26.0	26.0

BCP Fiscal Detail Sheet

BCP Title: Cal-ICH Administration Support

BR Name: 2240-081-BCP-2024-MR

Budget Request Summary

Personal Services

Personal Services	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Positions - Permanent	0.0	13.0	13.0	13.0	13.0	13.0
Total Positions	0.0	13.0	13.0	13.0	13.0	13.0

Fund Summary

Fund Source

Fund Source	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Total State Operations Expenditures	\$0	\$0	\$0	\$0	\$0	\$0

Program Summary

Program Funding

Program Funding	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
Total All Programs	\$0	\$0	\$0	\$0	\$0	\$0

Personal Services Details

Positions

Positions	FY24 Current Year	FY24 Budget Year	FY24 BY+1	FY24 BY+2	FY24 BY+3	FY24 BY+4
1303 - Personnel Spec	0.0	1.0	1.0	1.0	1.0	1.0
1414 - Info Tech Spec II	0.0	1.0	1.0	1.0	1.0	1.0
4588 - Assoc Accounting Analyst	0.0	2.0	2.0	2.0	2.0	2.0
4800 - Staff Svcs Mgr I	0.0	2.0	2.0	2.0	2.0	2.0
5142 - Assoc Pers Analyst	0.0	1.0	1.0	1.0	1.0	1.0
5393 - Assoc Govtl Program Analyst	0.0	2.0	2.0	2.0	2.0	2.0
5780 - Atty IV	0.0	1.0	1.0	1.0	1.0	1.0
5795 - Atty III	0.0	1.0	1.0	1.0	1.0	1.0
5815 - Supvng Atty	0.0	1.0	1.0	1.0	1.0	1.0
7500 - C.E.A.	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	13.0	13.0	13.0	13.0	13.0