

AMENDED IN ASSEMBLY MARCH 28, 2025

CALIFORNIA LEGISLATURE—2025–26 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1432**

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**Introduced by Assembly Member Hoover**

February 21, 2025

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An act to ~~amend Section 8255~~ add Chapter 6.6 (commencing with Section 8258) to Division 8 of the Welfare and Institutions Code, relating to homelessness.

LEGISLATIVE COUNSEL’S DIGEST

AB 1432, as amended, Hoover. ~~Housing First. Homelessness Accountability, Recovery, and Treatment Act.~~

*Existing law establishes and provides funding for various state programs in connection with assisting the homeless, including Housing First. Existing law establishes the core components of Housing First to include, among other things, tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services.*

*This bill, the Homelessness Accountability, Recovery, and Treatment Act, would authorize a state agency to use up to 40 percent of existing noncontinuously appropriated funds allocated to a homelessness program on recovery housing that does not meet the core components of Housing First.*

*Existing law requires the Governor to create an Interagency Council on Homeless to create partnerships among state agencies and departments, local government agencies, and specified nonprofit entities to arrive at specific strategies to end homelessness and collect, compile, and make publicly available specified financial data provided to the council from all state-funded homelessness programs.*

*This bill would require a nonprofit that receives state or local government funding for homelessness programs to annually report to the relevant state agency or local government from which they receive funding specified standardized performance metrics. The bill would require a state agency, as defined, to develop a standardized reporting template and compile and publish an annual report summarizing the performance metrics. The bill would require a nonprofit to maintain records and documentation to support the performance metrics and make those records available for audit or review upon request by a local government or state agency. The bill would require a state agency, in collaboration with local governments, to establish procedures for certifying the accuracy of the performance metrics. To the extent that the bill would require a local government to cooperate fully with a state agency to establish those procedures, the bill would impose a state-mandated local program. The bill would require a state agency to provide technical assistance and resources to assist nonprofits, particularly smaller nonprofit organizations, in complying with these reporting requirements. The bill would require a state agency to adopt regulations to implement the act no later than January 1, 2027, and would require a nonprofit to begin reporting performance metrics beginning with the first full fiscal year following the adoption of regulations.*

*This bill would define various terms for purposes of the act.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.*

~~Existing law requires a state agency or department that funds, implements, or administers a state program that provides housing or housing-related services to people experiencing homelessness or at risk of homelessness, except as specified, to revise or adopt guidelines and regulations to include enumerated Housing First policies. Existing law requires the Governor to create the California Interagency Council on Homelessness to oversee the implementation of the Housing First guidelines and regulations and, among other things, to identify resources;~~

benefits, and services that can be accessed to prevent and end homelessness in California.

~~This bill would make technical, nonsubstantive changes to those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: ~~no~~ yes.

*The people of the State of California do enact as follows:*

1     *SECTION 1. The Legislature finds and declares all of the*  
2     *following:*

3     *(a) Homelessness is a critical issue in California that affects*  
4     *individuals, families, and communities across the state.*

5     *(b) Nonprofits play a vital role in providing services and support*  
6     *to individuals and families experiencing homelessness, often with*  
7     *funding from local and state governments.*

8     *(c) To ensure the effective use of public funds and improve*  
9     *outcomes for people experiencing homelessness, it is essential to*  
10    *establish standardized performance metrics for measuring the*  
11    *success of homelessness programs.*

12    *(d) Regular reporting of these metrics will provide transparency,*  
13    *enable data-driven decision making, and foster accountability*  
14    *among nonprofits receiving public funds for homelessness services.*

15    *SEC. 2. Chapter 6.6 (commencing with Section 8258) is added*  
16    *to Division 8 of the Welfare and Institutions Code, to read:*

17  
18     *CHAPTER 6.6. HOMELESSNESS ACCOUNTABILITY, RECOVERY,*  
19     *AND TREATMENT ACT*  
20

21     8258. This act shall be known, and may be cited, as the  
22     Homelessness Accountability, Recovery, and Treatment (HART)  
23     Act.

24     8258.1. For purposes of this act, the following definitions  
25     apply:

26     (a) "Local government" means a city, county, or city and county  
27     in the state.

28     (b) "Nonprofit" means an organization that is exempt from  
29     federal income taxation pursuant to Section 501(c)(3) of the  
30     Internal Revenue Code and that receives funding from the state

1 or local governments for programs aimed at addressing  
2 homelessness.

3 (c) “Performance metrics” means specific, quantifiable  
4 indicators used to assess the effectiveness of homelessness  
5 programs.

6 (d) “Recovery housing” means sober living facilities and  
7 programs that provide housing in a recovery-focused and  
8 peer-supported community for people recovering from substance  
9 use issues or receiving treatment for mental illness. Facilities and  
10 programs may require sobriety as a prerequisite for participation  
11 or be required pursuant to a court order or is a condition of release  
12 for individuals under the jurisdiction of a county probation  
13 department or the Department of Corrections and Rehabilitation.

14 (e) “State agency” means any California state agency or  
15 department that funds, implements, or administers a homelessness  
16 program.

17 (f) “Homelessness program” means any program that a  
18 California state agency or department, or a local government,  
19 funds, implements, or administers for the purpose of providing  
20 emergency shelter, interim housing, housing, or housing-based  
21 services to people experiencing homelessness or at risk of  
22 homelessness.

23 8258.2. A state agency may use up to 40% of existing  
24 noncontinuously appropriated funds allocated to a homelessness  
25 program on recovery housing that does not meet the core  
26 components of Housing First, as defined under Section 8255.

27 8258.3. (a) (1) A nonprofit that receives state or local  
28 government funding for homelessness programs shall report to  
29 the relevant state agency or the local government from which they  
30 receive funding the following standardized performance metrics:

31 (A) The total number of individuals and families served by the  
32 nonprofit’s homelessness programs during the reporting period.

33 (B) The number of individuals and families placed in permanent  
34 housing during the reporting period.

35 (C) The number of individuals and families placed in temporary  
36 housing during the reporting period.

37 (D) The number of individuals and families who received  
38 support services, including, but not limited to, job training, mental  
39 health services, substance abuse treatment, and case management.

1 (E) The number of individuals and families who exited  
2 homelessness and maintained stable housing for at least six months.

3 (F) The cost per individual or family served.

4 (G) The cost per individual or family placed in permanent  
5 housing.

6 (2) A state agency, in consultation with local governments and  
7 stakeholders, may establish additional performance metrics as  
8 necessary to further evaluate the effectiveness of homelessness  
9 programs.

10 (3) A state agency shall develop a standardized reporting  
11 template to be used by all nonprofits to ensure consistency and  
12 comparability of data.

13 (4) A state agency shall compile and publish an annual report  
14 summarizing the performance metrics. The annual report shall be  
15 made publicly available on the state agency's website and shall  
16 include an analysis of trends, outcomes, and areas for improvement  
17 in addressing homelessness.

18 (b) The report required under subdivision (a) shall be submitted  
19 on an annual basis, with each report covering the preceding  
20 12-month period. A state agency may adjust the reporting  
21 frequency to every other year for nonprofits that demonstrate  
22 consistent compliance and accuracy in reporting.

23 (c) A nonprofit shall maintain records and documentation to  
24 support the performance metrics reported under subdivision (a)  
25 and shall make those records available for audit or review upon  
26 request by a local government or state agency.

27 (d) A nonprofit that is found to have submitted inaccurate or  
28 fraudulent data may be subject to penalties, including, but not  
29 limited to, the repayment of funds, ineligibility for future funding,  
30 or other sanctions as determined by the state agency.

31 (e) A nonprofit shall begin reporting performance metrics as  
32 required by this section beginning with the first full fiscal year  
33 following the adoption of regulations by the state agency pursuant  
34 to Section 8258.5.

35 8258.4. (a) (1) A state agency, in collaboration with local  
36 governments, shall establish procedures for certifying the accuracy  
37 of the performance metrics reported pursuant to Section 8258.3.  
38 A local government shall cooperate fully with a state agency in  
39 establishing the procedures pursuant to this subdivision.

(2) A state agency may conduct random audits of nonprofits to ensure compliance with the reporting requirements of this section and the accuracy of reported data.

(b) (1) A state agency shall provide technical assistance and resources to assist nonprofits, particularly smaller nonprofit organizations, in complying with the reporting requirements of this section.

(2) A state agency may allocate a portion of the funds for a homelessness program to support nonprofits in developing the capacity to collect, track, and report the required performance metrics.

8258.5. A state agency shall adopt regulations to implement the provisions of this act no later than January 1, 2027.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SECTION 1. ~~Section 8255 of the Welfare and Institutions Code is amended to read:~~

~~8255. For purposes of this chapter, the following definitions apply:~~

(a) ~~“Council” means the California Interagency Council on Homelessness, formerly known as the Homeless Coordinating and Financing Council established pursuant to Section 8257.~~

(b) ~~“Core components of Housing First” means all of the following:~~

(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.~~

1     ~~(5) Participation in services or program compliance is not a~~  
2     ~~condition of permanent housing tenancy.~~

3     ~~(6) Tenants have a lease and all the rights and responsibilities~~  
4     ~~of tenancy, as outlined in California's Civil, Health and Safety,~~  
5     ~~and Government codes.~~

6     ~~(7) The use of alcohol or drugs in and of itself, without other~~  
7     ~~lease violations, is not a reason for eviction.~~

8     ~~(8) In communities with coordinated assessment and entry~~  
9     ~~systems, incentives for funding promote tenant selection plans for~~  
10    ~~supportive housing that prioritize eligible tenants based on criteria~~  
11    ~~other than "first-come-first-serve," including, but not limited to,~~  
12    ~~the duration or chronicity of homelessness, vulnerability to early~~  
13    ~~mortality, or high utilization of crisis services. Prioritization may~~  
14    ~~include triage tools, developed through local data, to identify~~  
15    ~~high-cost, high-need homeless residents.~~

16    ~~(9) Case managers and service coordinators who are trained in~~  
17    ~~and actively employ evidence-based practices for client~~  
18    ~~engagement, including, but not limited to, motivational~~  
19    ~~interviewing and client-centered counseling.~~

20    ~~(10) Services are informed by a harm-reduction philosophy that~~  
21    ~~recognizes drug and alcohol use and addiction as a part of tenants'~~  
22    ~~lives, where tenants are engaged in nonjudgmental communication~~  
23    ~~regarding drug and alcohol use, and where tenants are offered~~  
24    ~~education regarding how to avoid risky behaviors and engage in~~  
25    ~~safer practices, as well as connected to evidence-based treatment~~  
26    ~~if the tenant so chooses.~~

27    ~~(11) The project and specific apartment may include special~~  
28    ~~physical features that accommodate disabilities, reduce harm, and~~  
29    ~~promote health and community and independence among tenants.~~

30    ~~(e) "Homeless" has the same definition as that term is defined~~  
31    ~~in Section 91.5 of Title 24 of the Code of Federal Regulations.~~

32    ~~(d) (1) "Housing First" means the evidence-based model that~~  
33    ~~uses housing as a tool, rather than a reward, for recovery and that~~  
34    ~~centers on providing or connecting homeless people to permanent~~  
35    ~~housing as quickly as possible. Housing First providers offer~~  
36    ~~services as needed and requested on a voluntary basis and that do~~  
37    ~~not make housing contingent on participation in services.~~

38    ~~(2) (A) "Housing First" includes time-limited rental or services~~  
39    ~~assistance, so long as the housing and service provider assists the~~

1 recipient in accessing permanent housing and in securing longer  
2 term rental assistance, income assistance, or employment.

3 ~~(B) For time-limited, supportive services programs serving~~  
4 ~~homeless youth, programs should use a positive youth development~~  
5 ~~model and be culturally competent to serve unaccompanied youth~~  
6 ~~under 25 years of age. Providers should work with the youth to~~  
7 ~~engage in family reunification efforts, where appropriate and when~~  
8 ~~in the best interest of the youth. In the event of an eviction,~~  
9 ~~programs shall make every effort, which shall be documented, to~~  
10 ~~link tenants to other stable, safe, decent housing options. Exit to~~  
11 ~~homelessness should be extremely rare, and only after a tenant~~  
12 ~~refuses assistance with housing search, location, and move-in~~  
13 ~~assistance.~~

14 ~~(e) “State programs” means any programs a California state~~  
15 ~~agency or department funds, implements, or administers for the~~  
16 ~~purpose of providing emergency shelter, interim housing, housing,~~  
17 ~~or housing-based services to people experiencing homelessness~~  
18 ~~or at risk of homelessness, with the exception of a federally funded~~  
19 ~~program with requirements inconsistent with this chapter.~~