

SENATE BILL SB-18

Introduced by Senator Henry Stern (D-27)

An act relating to Homelessness Program Accountability and Evaluation Act.

LEGISLATIVE COUNSEL'S DIGEST

SB-18, Henry Stern (D-27). Homelessness Program Accountability and Evaluation Act.

Existing laws authorize the State of California to provide funding for homelessness prevention, emergency shelters, housing assistance, outreach services, and supportive housing programs through state and local agencies. Recipients of state homelessness funding are generally required to comply with reporting, recordkeeping, and audit requirements to ensure funds are used for authorized purposes.

The California State Auditor is authorized to conduct audits of state and local programs to evaluate fiscal accountability and program performance. However, findings in *Homelessness in California: San Jose and San Diego Must Do More to Plan and Evaluate Their Effort to Reduce Homelessness* revealed weaknesses in how homelessness programs measure outcomes, evaluate service providers, track expenditures, and publicly report results. The audit found that local governments often lacked consistent performance standards and did not adequately document whether funded programs were achieving their intended goals.

This bill would establish statewide accountability standards for homelessness programs receiving state funding. This bill would require funded organizations to implement standardized performance measures, conduct annual evaluations of service providers, publicly report program outcomes, and document provider effectiveness before contracts are renewed. By creating consistent statewide reporting and evaluation requirements, the bill seeks to improve transparency, strengthen oversight, and ensure that public funds are directed toward programs that demonstrate measurable results in reducing homelessness. The sum of \$500,000 is hereby appropriated annually from the General Fund to the Department of Housing and Community Development to administer reporting requirements and maintain statewide homelessness performance databases.

Vote: Majority. **Appropriations/fiscal:** yes. **Local program:** yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

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SECTION 1. Findings and Declarations

(a) The Legislature finds that California invests significant public funds in homelessness prevention, emergency shelter, outreach, supportive housing, and permanent housing programs.

(b) The Legislature finds that California State Auditors identified weaknesses in the evaluation of homelessness programs, the measurement of program outcomes, and the assessment of service-provider effectiveness. The audit found that local governments did not consistently establish performance measures or document whether funded programs achieved intended outcomes.

(c) The Legislature intends to improve accountability, transparency, and program effectiveness by establishing statewide standards for evaluating homelessness programs receiving state funding.

SECTION 2. Performance Measurement Requirements

(a) Any state agency, local agency, nonprofit organization, or contractor receiving homelessness-related state funding shall establish clear and measurable performance goals.

(b) Performance measures shall include, when applicable:

(1) Number of unduplicated individuals or households served.

(2) Number of individuals placed into permanent housing.

(3) Housing retention rates.

(4) Reduction in unsheltered homelessness.

(5) Other outcome measures determined by the Department of Housing and Community Development.

SECTION 3. Annual Program Evaluation

(a) Agencies administering homelessness-related funding shall conduct annual evaluations of funded service providers.

(b) Evaluations shall determine:

(1) Whether performance goals were met.

(2) Whether public funds were used effectively.

(3) Whether program outcomes justify continued funding.

(c) Evaluation shall be documented in writing and made publicly available.

SECTION 4. Contract Renewal Requirements

(a) A contract funded with homelessness-related state funds shall not be renewed unless the administering agency completes a documented review of provider performance.

(b) Providers that fail to meet established performance goals shall submit a corrective action plan before receiving renewed funding.

SECTION 5. Public Reporting and Transparency

(a) The Department of Housing and Community Development shall maintain a publicly accessible database containing:

(1) Homelessness grants and contracts.

(2) Funding amounts.

(3) Performance measures.

(4) Annual evaluation results.

(5) Corrective action plans, when applicable.

(b) Information required pursuant to this section shall be updated annually.

SECTION 6. Appropriation

The sum of \$500,000 is hereby appropriated annually from the General Fund to the Department of Housing and Community Development and other affected state agencies to administer reporting requirements and maintain the statewide homelessness performance database.

SECTION 7. Effective Date

This Act shall take effect on January 1, 2027.