
THIRD READING

Bill No: AB 1165
Author: Gipson (D), et al.
Amended: 8/21/26 in Senate
Vote: 21

SENATE HOUSING COMMITTEE: 8-0, 6/10/26

AYES: Arreguín, Cabaldon, Caballero, Cortese, Durazo, Grayson, Padilla, Pérez

NO VOTE RECORDED: Seyarto, Ochoa Bogh

SENATE APPROPRIATIONS COMMITTEE: 5-0, 8/13/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NO VOTE RECORDED: Seyarto, Dahle

ASSEMBLY FLOOR: 54-12, 1/29/26 - See last page for vote

SUBJECT: California Housing Justice Act of 2026

SOURCE: Author

DIGEST: This bill establishes the California Housing Justice Act of 2026, which requires the Department of Housing Community Development (HCD), in coordination with the California Interagency Council on Homelessness (Cal-ICH) and other stakeholders to create a financing plan to solve homelessness and the housing unaffordability crisis no later than July 1, 2029.

Senate Floor amendments of 8/21/26 provide that this bill will become operative upon appropriation by the Legislature and require the financing plans and performance metrics to be due on or before October 1, 2030.

ANALYSIS:

Existing law:

- 1) Requires that HCD develop a Statewide Housing Plan (Plan), in cooperation with specified entities, and that the Plan serves as a state housing plan for all relevant purposes.
- 2) Requires the Statewide Housing Plan, among other things, to include certain information, including:
 - a) A statement of housing goals, policies, and objectives.
 - b) An evaluation and summary of housing conditions in the state, including availability of housing for all economic segments of the state. The evaluation shall also include summary statistics for all counties, all multicounty metropolitan areas, and rural areas, as specified. The evaluation shall include the existing distribution of housing by type, size, gross rent, value, and, to the extent data is available, condition, and the existing distribution of households by gross income, size, and ethnic character for each of those areas.
 - c) A determination of the statewide need for the year the Plan is revised and four years ahead. Need is defined as the minimum number of units necessary to be built or rehabilitated in order to provide sufficient housing to house all residents of the state in standard, uncrowded units in suitable locations.
 - d) Goals for the provision of housing assistance for the Plan period, established as the minimum number of households to be assisted to result in a substantial reduction in the number of moderate-income, low-income, and very low-income households considered cost-burdened.
 - e) Recommendations for actions by federal, state, and local governments and the private sector that will contribute to the attainment of the housing goals established for California.
 - f) A housing strategy that coordinates the housing assistance and activities of state and local agencies, including the provision of housing assistance for various population groups including, but not limited to, elderly persons, persons with disabilities, large families, families where a female is the head of the household, farmworker households, and other specific population groups as deemed appropriate by HCD.

- 3) Establishes Cal-ICH to coordinate the State's response to homelessness using Housing First practices with a number of goals including, but not limited to:
 - a) Creating partnerships among state agencies and departments;
 - b) Promoting systems integration to increase efficiency and effectiveness;
 - c) Coordinating existing funding and application for competitive funding.
- 4) Requires Cal-ICH to, among other things, set specific, measurable goals aimed at preventing and ending homelessness among domestic violence survivors and their children, and among unaccompanied women in the state, as follows:
 - a) Requires these goals to include but not be limited to decreasing the rate, duration, and frequency of homelessness among domestic violence survivors and their children and unaccompanied women, as well as decreasing barriers to services through cross-systems partnerships to expedite access to specified services.
 - b) Requires Cal-ICH to define outcome measures and gather data related to the goals.
 - c) Requires Cal-ICH, when funding is available, to provide technical assistance to cities, counties, and continuums of care to support the development of local programs and plans to address the needs of domestic violence survivors and their children and unaccompanied women. Also requires Cal-ICH to work with the US Department of Housing and Urban Development (HUD) to provide this assistance.
- 5) Requires Cal-ICH to establish initial goals by January 1, 2025, and evaluate these goals at least every two years to determine whether updated goals are needed.

This bill:

- 1) Requires HCD, upon appropriation by the Legislature, to create the following no later than August 1, 2030:
 - a) A finance plan to solve homelessness. This finance plan shall determine the funding necessary to create enough housing to meet the unmet housing needs of people experiencing homelessness, and the unmet housing needs of people expected to fall into homelessness based on the most recent statistics of rates of Californians falling into homelessness;

- b) A finance plan to solve the housing unaffordability crisis. This finance plan shall identify funding necessary to meet the affordable housing needs the department identified in the most recent regional housing needs assessment and take into consideration the data used in the Statewide Housing Plan; and
 - c) Statewide annual performance metrics through all of the following:
 - i) Updating the "Statewide Action Plan for Preventing and Ending Homelessness in California," to include annual metrics to solve homelessness, as specified; and
 - ii) Identifying and updating annual metrics to achieve goals established in the finance plan to solve the housing unaffordability crisis, as specified.
- 2) Requires the California Housing and Homelessness Agency to report to the Legislature, on or before October 1, 2030, on the finance plans and performance metrics. The agency shall publish goals on its website and update any progress toward the goals.

Background

Homelessness: stats and causes. According to the most recent Point-in-Time (PIT) count, 187,084 people were experiencing homelessness in California—representing 24% of the nation’s homeless population. Two-thirds of the homelessness population in California is unsheltered. Over half (51%) of all unsheltered people in the United States were in California. A lack of affordable housing is the biggest contributor to homelessness. As housing costs continue to rise, rent becomes less affordable for lower-income households, who are forced to live beyond their means (paying more than 30% of income on housing costs) or are pushed out of their homes, leading to rapid increases in homelessness. Cities with higher rents and lower rental vacancy rates (i.e., tighter housing markets) *are* directly linked to higher per capita rates of homelessness.

Comments

- 1) *Author’s statement.* “AB 1165, the California Housing Justice Act, requires the Housing and Community Development Department (HCD) to create plans to finance solutions to our affordable housing and homelessness crisis. California’s homelessness and housing affordability crisis demands coordinated, data-driven, and strategic financial planning. AB 1165 would require the state to develop a roadmap for identifying what it would take to solve this crisis and plan to coordinate resources to meet the need.

By developing comprehensive finance plans and measurable performance goals to solve the homelessness and housing affordability crisis, AB 1165 will equip California to be prepared to implement a sustainable funding strategy that invests resources effectively to move people off the streets, into stable housing they can afford, and prevent future homelessness.

This bill establishes a long-term framework to promote accountability, transparency, and collaboration across state and local governments, housing experts, advocates, and individuals with lived experience to address homelessness and housing affordability at the scale this crisis requires. Housing is the foundation of economic stability, public health, and community safety. AB 1165 is an opportunity to plan for a California where every person has access to affordable housing and coordinated resources proven to match the urgency of the crisis.”

- 2) *Affordable housing funding needs.* In response to decades of federal disinvestment, California took up the mantle by way of investment in affordable housing construction and rehabilitation in three significant ways: (1) creating the state low income housing tax credit program in 1987 to pair with the existing federal program, (2) requiring 20% of redevelopment agency funding to be expended on affordable housing (AB 3674 (Montoya, Chapter 1337, Statutes of 1976)), and (3) proposing and passing statewide housing general obligation bond measures.

Despite state investments, the overall decline in government support for housing development in California has contributed to the current shortage of 1.3 million affordable housing units, according to the California Housing Partnership.¹ Additionally, historically, the largest state investment in housing has been in homeownership. The state provides approximately \$5 billion in subsidy each year to homeowners through the mortgage interest deduction. The lack of permanent ongoing funding to construct affordable housing has contributed to the severe affordability crisis particularly for lower-income households and a growing number of people experiencing homelessness.

- 3) *Financing plans to address the homelessness and affordability crises.* This bill would require HCD in consultation with Cal-ICH to develop a finance plan to solve homelessness. This finance plan would determine the funding necessary to create enough housing to meet the unmet housing needs of people

¹ California Housing Partnership Corporation. *California Housing Needs Dashboard*. Accessible here: <https://chpc.net/housingneeds/>

experiencing homelessness, and the unmet housing needs of people expected to fall into homelessness based on the most recent statistics of rates of Californians falling into homelessness. The plan would have metrics tied to outcomes to determine success.

- 4) *Senate Appropriations Amendments*. Author's amendments do the following:
- Revise the title to the California Housing Justice Act of 2026, rather than 2025.
 - Require HCD to create the finance plans by July 1, 2029, rather than January 1, 2028.
 - Require HCD to report to the Legislature on the plans by April 1, 2030, rather than October 1, 2028.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- HCD estimates annual ongoing costs of \$236,000 for 1.0 PY of staff, and one-time contracting costs of approximately \$1.3 million split over three years to create the two finance plans and identify statewide performance metrics to track progress toward meeting the plans' goals and report to the Legislature. Taken together, these costs would be approximately \$670,000 annually over three fiscal years (through 2029-30), and \$236,000 annually thereafter. (General Fund)
- Unknown future annual General Fund cost pressures, likely at least in the high hundreds of millions of dollars annually, depending upon the identified annual funding necessary to solve homelessness and housing unaffordability, as specified in the finance plans developed by HCD.

SUPPORT: (Verified 8/20/26)

Abode Services

Acce

Access Reproductive Justice

ACLU California Action

Aids Healthcare Foundation

All Home

Brilliant Corners

Bring California Home

California Alliance for Retired Americans

California Alliance of Caregivers

California Alliance of Child and Family Services
California Association of Black Lawyers
California Center for Movement Legal Services
California Coalition for Rural Housing
California Collaborative for Long-term Services and Supports
California Community Land Trust Network
California Democratic Renters Council
California Housing Partnership
California Women's Law Center
Calpace
Center on Policy Initiatives
Compass Family Services
Congregations Organized for Prophetic Engagement
Corporation for Supportive Housing
Council of Community Housing Organizations
Destination: Home
Disability Rights California
Disability Rights Education and Defense Fund
Downtown Women's Center
East Bay Housing Organizations
Elder Law and Disability Rights Center
Environmental Health Coalition
Episcopal Community Services of San Francisco
Eviction Defense Collaborative
Evolve California
Friends Committee on Legislation of California
Healing and Justice Center
Housing and Economic Rights Advocates
Housing California
Housing Is a Human Right - Orange County
Housing Matters
Housing Now!
Human Impact Partners
Imperial Valley Equity & Justice Coalition
Inland Equity Community Land Trusts
Inner City Law Center
John Burton Advocates for Youth
Justice in Aging
LA Progressive
Lawyers Committee for Civil Rights of the San Francisco Bay Area

Leadingage California
Legal Aid of Sonoma County
Little Tokyo Service Center
My Friend's Place
National Alliance to End Homelessness
National Homelessness Law Center
Noho Home Alliance
Our Time to ACT
Path
Policylink
Power California Action
Public Advocates
Public Advocates, INC.
Queercasa
Reclaim Our Power Utility Justice Campaign
Redf
Resources for Community Development
Sacramento Homeless Union
Sacred Heart Community Service
San Francisco Community Land Trust
Shields for Families
Silicon Valley Community Foundation
South Tower Community Land Trust
Southern California Association of Non-profit Housing
Ssg-hopics
Strategic Actions for a Just Economy
Supportive Housing Alliance
Tenants Together
Thai Community Development Center
The Big Tent San Leandro
The Center in Hollywood
The People Concern
The Poverty Project: Uprooting Class & Racial Injustice in Housing
Venice Justice Committee
Viet Voices
Western Center on Law & Poverty
Wood Street Commons
Youth Will

OPPOSITION: (Verified 8/20/26)

None received

ASSEMBLY FLOOR: 54-12, 1/29/26

AYES: Addis, Aguiar-Curry, Ahrens, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Quirk-Silva, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Macedo, Sanchez, Tangipa

NO VOTE RECORDED: Alanis, Arambula, Castillo, Chen, Flora, Gipson, Lackey, Patterson, Ramos, Ransom, Celeste Rodriguez, Ta, Valencia, Wallis

Prepared by: Alison Hughes / HOUSING / (916) 651-4124
8/24/26 13:21:10

**** END ****