

ASSEMBLY THIRD READING

AB 2146 (Stefani)

As Amended April 13, 2026

Majority vote

SUMMARY

Creates a process for housing developments that receive funding from the Low-Income Housing Tax Credit (LIHTC) program, Multifamily Housing Program (MHP), HomeKey, and No Place Like Home (NPLH) to fill vacancies outside of the local coordinated entry system (CES) if they request a referral and do not receive one within 180 days of making the request. Allows a housing development serving people experiencing homelessness to accept self-certification that an individual is homeless, as specified.

Major Provisions

1) Includes the following definitions:

- a) "Alternative referral" means a referral from outside the coordinated entry system or equivalent referral system;
- b) "Coordinated entry system" means a centralized or coordinated assessment system developed pursuant to federal law and designed to coordinate homelessness program participant intake, assessment, and provision of referrals;
- c) "Equivalent referral system" means, in jurisdictions where a coordinated entry system is not operational, another similar referral system which prioritizes based on need and barriers to housing stability, as determined by the Department of Housing and Community Development (HCD);
- d) "Housing history" means a report of an applicant's last known residential address or addresses, length of residency, and reason for departure, typically for a period of no less than two years preceding a housing application;
- e) "Referral waiting period" means the time period from the day when the housing credit applicant notifies the coordinated entry system or equivalent referral system of a vacant unit to 180 days from that notification; and
- f) "Self-certification of homelessness" means an affidavit, signed under penalty of perjury by an individual seeking assistance indicating their status as chronically homeless, homeless, or at risk of homelessness. Provides that if a tenant or prospective tenant is found to have falsified information regarding their self-certification of homelessness, it shall be considered a just cause for eviction. Provides that a housing sponsor shall be held harmless for purposes of compliance with their regulatory requirements.

2) Provides that if a tenant or prospective tenant is found to have falsified information regarding their self-certification of homelessness it is a just cause for eviction.

3) Provides that a housing sponsor will be held harmless under their the California Tax Credit Allocation Committee (TCAC) or HCD regulatory agreement if a tenant is found to have falsified information regarding self-certification of homelessness.

- 4) Establishes the California Direct Access to Supportive Housing (DASH) designation to facilitate quick and accountable access to supportive housing.
- 5) Provides that a housing unit shall be designated as DASH if it meets all the following criteria:
 - a) The unit did not or does not receive any federal capital or operating subsidy that requires compliance with federal Department of Housing and Urban Development (HUD) standards;
 - b) The unit is restricted to occupancy by those at risk of homelessness or experiencing homelessness or chronic homelessness; and
 - c) The unit receives referrals through a coordinated entry system or an equivalent referral system for the first 180 days per vacancy.
- 6) Beginning July 1, 2027, requires a housing credit applicant to notify TCAC or HCD if a unit receiving an allocation of tax credits or funding from HomeKey, NPLH, or MHP that meets the criteria for DASH designation.
- 7) Provides that a housing sponsor may notify TCAC or HCD when any of the following occur:
 - a) Any time before the unit becomes vacant;
 - b) When submitting notification of the unit's availability to a CES or an equivalent referral system; and
 - c) When submitting loan closing documents to the committee.
- 8) Provides that if TCAC or HCD disagrees with the housing sponsors' determination of DASH unit status, they must notify the applicant in writing within 60 days and allow the applicant 30 days to provide additional evidence to support their claim. Prohibits TCAC or HCD from penalizing an applicant as a result of any disagreement over a unit's DASH status.
- 9) Provides that if a unit's DASH designation is removed, a housing credit applicant must notify TCAC or HCD that the unit no longer meets the criteria.
- 10) Provides that beginning July 1, 2027, for a prospective tenant referred to a DASH unit through a CES or equivalent referral system, TCAC and HCD shall, to the extent not prohibited by federal law, apply the following expedited compliance documentation standards:
 - a) TCAC and HCD shall not require a housing credit applicant to obtain third-party documentation of a person's status as chronically homeless, homeless, or at risk of homelessness in order to establish tenant eligibility.
 - b) TCAC and HCD shall accept self-certification of homelessness from the prospective tenant;
 - c) TCAC and HCD shall not require housing history for prospective tenants;

- d) A housing credit applicant shall not request or require housing history or landlord or personal references for prospective tenants;
 - e) On or before June 30, 2027, the TCAC and HCD shall adopt regulations to implement this section.
- 11) Provides that a housing credit applicant who receives referrals through a CES or an equivalent referral system, to the extent not prohibited by federal law, may receive and process referrals of prospective tenants from sources outside of the coordinated entry system or equivalent referral system 180 days from the day the applicant notifies CES or ERS of a vacant unit, if all of the following conditions are met:
- a) A housing credit applicant shall not process outside referrals of prospective tenants if there are any pending CES or equivalent referral system referrals to the vacant unit, if the referral was made before 180 days passed;
 - b) After 180 days, the housing credit applicant shall notify the CES or equivalent referral system if they have received an alternative referral, and any alternate referrals the housing credit applicant has received shall be fulfilled on a first-come-first-served basis;
 - c) The tenant selected through an alternative referral shall meet all eligibility criteria for the unit;
 - d) The housing credit applicant shall maintain records, available to the department upon request, of any correspondence with a CES or equivalent referral system or a prospective tenant regarding an unsuccessful referral to the vacant unit, including records demonstrating why the referral was unsuccessful;
 - e) When a tenant that occupied a unit using an alternative referral vacates a unit, that unit shall return to its original status requiring a referral from a CES or equivalent entry system to be filled. Successive alternative referrals shall be allowed pursuant to this subdivision;
 - f) At the discretion of the coordinated entry system administrator, the CES may authorize alternative referrals earlier than the end of the referral waiting period if the referring entity has exhausted the potential applicant pool, in order to advance the goal of preventing vacant units; and
 - g) The housing credit applicant may accept referrals from the CES or equivalent referral system at any time.
- 12) Requires the California Housing and Homelessness Agency (CHHA) and the TCAC, by January 1, 2028, in consultation with sponsors of housing units designated as DASH, to complete a comprehensive review of compliance, which shall identify all of the following information:
- a) Compliance requirements that create barriers to housing access for individuals at risk of homelessness or experiencing homelessness;
 - b) Alternative methods of compliance to remove barriers and accelerate housing move-ins; and

- c) Opportunities to streamline documentation through alignment with existing standards for other programs, including, but not limited to, Medi-Cal or Transitional Rent.

13) Requires CHHA and TCAC, by April 1, 2028, to submit a report on the review.

14) Requires CHHA and TCAC to implement revised compliance requirements based on the completed review.

COMMENTS

Coordinated Entry Systems: In 2012, HUD began requiring Continuum of Care (CoCs) to use a CES, and in 2017 HUD mandated the use of CES for all CoCs as a condition of receiving federal funds. A CoC is a federally created entity that is responsible for administering federal funding to address homelessness, collecting data that is inputted into the Homelessness Management Information System, and managing the CES.

CES is a CoC-established system-wide process to quickly and equitably coordinate the access, assessment, prioritization, and referrals to housing and services for people experiencing or at imminent risk of homelessness. CES is an evidence-based strategy that focuses on housing and service coordination designed to link people experiencing homelessness to the most appropriate housing solution based on their needs. CES is also meant to remove racial bias in who is prioritized for housing and services, and prioritize people based on need. Significant racial disproportionality exists among those experiencing homelessness, with people who identify as Black/African American very overrepresented. CES prioritizes individuals for housing based on the length of time they have experienced homelessness.

Several state programs create housing for people experiencing or at risk of homelessness. The NPLH program was created in 2013 to house people experiencing homelessness with mental health challenges, funded by a 1% tax on millionaires in the state. The LIHTC and MHP both include set-asides that fund housing specifically for people experiencing homelessness. Each of these programs requires that a developer use CES to fill a vacancy when a tenant moves out. According to the sponsor of this bill, the Non-Profit Housing Association of Northern California (NPH), although CES is an important tool for creating equity and tracking data and outcomes, a small share of vacant supportive housing units take over six months to fill.

Filling Vacancies: Research completed by the Harvard Kennedy School surveyed 151 CoC leaders across 44 states and conducted interviews with 26 representatives to discuss the pressing challenges and opportunities in managing Permanent Supportive Housing (PSH) systems. The results suggested that many jurisdictions have potentially persistent vacancies and prolonged referral processes in their PSH systems. These vacancies were attributed to challenges with CES including limitations in data systems, complex requirements for accessing PSH, and long, manually intensive placement processes. Many jurisdictions and PSH providers reported having units that sit empty for months at a time. A UC Berkeley Turner Center Study that evaluated PSH also found that the capacity of CES varies across the state, with some organizations underfunded and understaffed. The lack of resources for CES operation has led to slow referrals for some developments. Additional challenges occur when a development serves only a sub-population of people experiencing homelessness, like veterans and individuals with substance abuse and mental health disorders. Because CES is meant to be equitable and prioritize people for referral based on the length of time they have been homeless, the person referred may not fit into this subcategory of the available unit, leading to a longer vacancy.

NPH began hearing from its nonprofit housing provider members about such challenges as Coordinated Entry became more widely adopted in 2017, but challenges became particularly acute during the COVID-19 pandemic. Specifically, housing operators were struggling to achieve and maintain occupancy of CES-referred units. Furthermore, members observed that applicants were sometimes matched with properties that were not equipped or funded to meet their needs, resulting in both operational and emotional costs to the building community. In response to these concerns, the NPH PSH Working Group (PSH WG) convened nonprofit housing practitioners from resident services and property management to develop practical and strategic recommendations to strengthen Coordinated Entry System implementation.

DASH: Federal law encourages prompt referrals from CES by allowing for an affordable housing developer to obtain tenant referrals outside of CES for units that have not received a referral, or 30 days after a CES is notified. According to the sponsors "this current 'release valve' does not function well in practice. As long as each referral is provided within 30 days of request, CES systems can provide a series of poorly matched referrals that result in an extended vacancy. These vacancies are financially damaging to housing providers, and unacceptable given the incredible scarcity of permanent supportive homes."

This bill would create a process for affordable housing developers to designate units in a development that do not receive any federal funding and could utilize another referral system if CES does not make a referral within 180 days (6 months) of a request. For units that receive funding from TCAC/the California Debt Limit Allocation Committee (CDLA) or HCD, a developer would apply to designate the unit as DASH. Once the unit is approved, the developer could fill a vacancy outside of CES if they request a tenant from CES and the referral is not made within 180 days.

Some advocates on behalf of people experiencing homelessness have raised concerns about filling units outside of CES. Prior to the adoption of CES, resources were allocated by individual providers on a first-come first-served basis. This disadvantaged individuals who were not capable of locating resources on their own and allowed developers to selectively serve people with fewer barriers to housing stability. Advocates are concerned that if developers are allowed to fill vacancies outside of CES, then this could happen again. It also could result in individuals receiving assistance that was more extensive than they need, while those with the highest need do not receive any assistance. These advocates recognize that there are issues with CES, however, do not think allowing for outside fills is the right solution.

Self-Certification: In California, under SB 1380 (Mitchell), Chapter 847, Statutes of 2016 homeless applicants cannot be denied supportive housing due to poor or inconsistent housing history. In fact, CES prioritizes applicants with such experiences. However, federal funding for CoCs requires applicants for housing to provide documentation related to their housing history, including third-party verification of homelessness, two years of rental history, and, in some cases, landlord or personal references. State law has mirrored this requirement in the MHP guidelines although there is no legal requirement to do so. When an applicant for housing rises to the top of the CES system and is in line for a referral, these requirements for documentation slow down the process of becoming housed.

For DASH designated units, those that do not receive federal funding, this bill would require TCAC/CDLA and HCD for affordable housing developments that receive tax credits, MHP, and NPLH to accept self-certification from a prospective tenant that they are homeless. Affordable

housing developers would not be required to obtain third party documentation of a person's status as homeless, any housing history, landlord or personal references.

According to the Author

"Although California has been a leader in creating permanent supportive housing for people who need it most, too many individuals still face unnecessary documentation requirements that stall their access to these life-changing housing opportunities. AB 2146 addresses these barriers to access by removing the requirement that people "prove" they are homeless with hard-to-obtain documents like eviction records or hospital discharge paperwork. This bill also gives affordable housing providers more flexibility to fill units that have been sitting vacant for too long by expanding where they can get referrals. Together these changes tackle the real-world barriers that housing administrators, nonprofit providers, and service agencies all agree are getting in the way of connecting people to available housing."

Arguments in Support

According to the sponsors, Housing California and Non-Profit Housing Association of Northern CA, "AB 2146 would create a "Direct Access to Supportive Housing" (DASH) designation for non-federally funded affordable housing units, removing documentation requirements including housing history documentation, third-party verification of homelessness, and landlord referrals. These requirements are incredibly burdensome for homeless populations to fulfill, and removing them will reduce delays in accessing supportive housing. Current law encourages prompt referrals from a CES by allowing for an affordable housing developer to obtain tenant referrals beyond CES for units that have not received a referral for 30 days after a CES is notified of a vacancy. AB 2146 would allow for affordable housing developers to obtain tenant referrals beyond CES for units that have been vacant for over six months, creating a backstop for the most problematic vacancies without undermining the important role of CES in prioritizing the most vulnerable Californians for housing. CES is an important tool for creating equity and tracking data and outcomes. NPH and Housing California believe strongly in the purpose and goals of CES and seek to improve them incrementally through these policy changes supported by the experiences of our mission-driven membership that provides permanent supportive housing."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, minor and absorbable costs to the State Treasurer's Office, which administers TCAC, and HCD.

VOTES

ASM HOUSING AND COMMUNITY DEVELOPMENT: 10-1-1

YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Wicks, Wilson

NO: Tangipa

ABS, ABST OR NV: Ta

ASM APPROPRIATIONS: 12-1-2

YES: Wicks, Bauer-Kahan, Calderon, Caloza, Ellis, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Tangipa

ABS, ABST OR NV: Hoover, Ta

UPDATED

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