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**SENATE COMMITTEE ON HOUSING**  
**Senator Jesse Arreguín, Chair**  
**2025 - 2026 Regular**

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**Bill No:** SB 866 **Hearing Date:** 4/15/2026  
**Author:** Blakespear  
**Version:** 4/6/2026 Amended  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Alison Hughes

**SUBJECT:** Homeless Housing, Assistance, and Prevention program: housing element

**DIGEST:** This bill would expand the data local governments provide in the housing element specific to homeless populations.

**ANALYSIS:**

*Existing law:*

- 1) Requires every city and county to prepare and adopt a general plan, including a housing element, to guide the future growth of a community. The housing element must identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.
- 2) Requires the housing element to include an assessment of housing needs for above moderate-income, moderate-income, low-income, and very low-income households, and an inventory of resources and constraints relevant to the meeting of these needs for each income category, including extremely low-income and acutely low-income households.
- 3) Requires the housing element to include an analysis of any special needs housing, including, and among other things, families and persons in need of emergency shelter (*hereinafter* referred to as the “Homelessness Program”).
- 4) Requires the housing element to include the identification of zones that allow residential, including mixed uses, where emergency shelters and other interim interventions are allowed as a permitted use without a conditional use or other discretionary permit that are suitable for residential uses, as specified. Shelters and interim inventions may be subject to development and management

standards that are objective and encourage and facilitate the development of, or conversion to, emergency shelters.

- 5) Establishes the Homeless Housing, Assistance, and Prevention program (HHAPP) to provide jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Directs the Department of Housing and Community Development (HCD) to administer HHAPP.
- 6) Empowers the recently formed Housing and Homelessness Accountability, Results, and Partnership Unit at HCD to monitor HHAPP expenditures, track outcomes, provide technical assistance and work with underperforming grantees on corrective action plans.
- 7) Requires a jurisdiction that is not a tribe to apply as part of a region and be a signatory to a round six regionally coordinated homelessness action plan that has been approved by the HCD.
- 8) Requires that a regionally coordinated homelessness action plan (Regional Plan) include:
  - a) Identification and analysis of the specific roles and responsibilities of each participating jurisdiction in the region as specified.
  - b) A list of the most recent system performance measures for the region, which shall include age, racial, and ethnic disparities, as specified.
  - c) A system performance and improvement plan (Improvement Plan) with a description of key actions the region intends to take to improve system performance measures. May include key actions from small jurisdictions in the region that elect to engage in the regionally coordinated homelessness action plan.
- 9) Requires HHAPP applicants to demonstrate how the region will use available resources to sustain all existing and proposed interim housing investments within the region, as specified.
- 10) Requires HCD to approve a plan when it determines that the plan includes specified components, including certain performance measures (SPMs) for the region as well as age, racial, and ethnic disparities for specified information, and a system performance and improvement plan.

- 11) Requires HHAP to be used for evidence-based solutions that address and prevent homelessness among eligible populations, including any of the following:
  - a) Permanent housing solutions that can prevent or serve those experiencing unsheltered homelessness, including rental subsidies, landlord incentives, move-in expenses, operating subsidies, supportive services for those in permanent housing, capital for permanent housing, and services coordination, as specified.
  - b) Homelessness prevention, including: rental assistance, rapid rehousing, and diversion support programs that prevent people from entering homelessness, as specified.
  - c) Interim housing solutions that provide shelter for those experiencing unsheltered homelessness including: low barrier navigation centers, operating subsidies for existing congregate shelter sites, operating expense in new or existing non-congregate shelter sites, hotel or motel vouchers, services, capital funding to build new non-congregate shelter sites, capital funding for enhanced congregate or non-congregate shelters, youth focused services in transitional housing, and improvements to shelters to lower barriers and increase privacy. New interim shelters must be low-barrier and comply with housing first principles.
  - d) Non-housing solutions such as street outreach, evidence-based engagement services, intensive care management services, harm reduction services, and housing navigation centers.
- 12) Requires applicants, beginning with the third round of HHAPP, to provide specified information for all rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework, including progress towards meeting outcome goals.
- 13) Requires HCD to post a statewide report that aggregates each applicant's outcome goals into a single statewide set of metrics.

**This bill:**

- 1) Adds the following requirements to the data required in the Homelessness Program as part of the housing element, for all non-HHAPP recipients:
  - a) An itemized list of the specific federal, state, and local resources available to assist individuals who are unhoused, including interim and permanent housing, as well as mental and behavioral health services.

- b) A description of the actions taken by the local government to connect individuals who are unhoused to the resources described in (a).
- c) The most up-to-date data on the population of individuals who are unhoused, which shall include all of the following:
  - i. The number of individuals who are unhoused.
  - ii. The average length of time individuals are unhoused.
  - iii. The number and percentage of unhoused individuals that moved into permanent housing.
  - iv. The number of people who become unhoused after moving into permanent housing.
  - v. The number of people who became unhoused for the first time.
  - vi. The number of people who become unhoused after exiting institutional settings, including, but not limited to, jails, prisons, and hospitals.
- d) The data specified in (c) shall be disaggregated by age, racial, and ethnic demographics.
- e) A description of key actions that will be taken to reduce individuals who are unhoused based on the data points described in (c).
- f) Actions taken to coordinate with cities in the region, counties or council of governments, including entering into a memorandum of understanding as part of the regional action plan required by HHAPP, and identification and analysis of the specific roles and responsibilities regarding outreach and site coordination, siting and use of available land, the development of shelter, interim, and permanent housing options, and the coordination and connection to the delivery of services to individuals who are unhoused, or at risk of becoming unhoused, including specifying roles and coordination plans in relation to the Mental Health Services Act or Behavioral Health Services Act, within the region.
- g) Identification of programs that prevent individuals from becoming unhoused and other actions taken to prevent vulnerable populations from becoming

unhoused, such as current and former foster youth, veterans, persons exiting the judicial system, and persons with special housing needs.

## 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 homeless 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. Variation in rates of homelessness cannot be explained by variation in rates of individual factors such as poverty or mental illness; conversely, cities with higher rents and lower rental vacancy rates (i.e., tighter housing markets) *are* directly linked to higher per capita rates of homelessness.

The lack of affordable housing plays a significant role in causing individuals to become homeless and creates obstacles for individuals experiencing homeless to transition into stable housing. The need for, and costs of, housing have consistently outpaced the development of affordable housing for over 30 years. As of 2022, working at the minimum wage of \$15/hour, a renter has to work 83 hours each week to afford a modest one-bedroom rental home at Fair Market Rent in California. The lack of supply is the primary factor underlying California’s housing crunch. To keep up with demand, HCD estimates that California must plan for the development of more than 2.5 million homes over the next eight years, and no less than one million of those homes must meet the needs of lower-income households (more than 640,000 very low-income and 385,000 low-income units are needed). For decades, not enough housing was constructed to meet need, resulting in a severe undersupply of housing. New construction of housing, both single family homes and apartments, continues to lag behind historical averages, and lags further behind the number of new units needed to meet housing demand.

## Comments

- 1) *Author’s statement.* “On any given night, more than 123,000 Californians are unsheltered, highlighting the urgent need for immediate, practical solutions to bring people indoors and connect them to services. While the state has made significant investments through programs like the state’s flagship homelessness grant program, the Homeless Housing, Assistance, and Prevention Program

(HHAP), not all jurisdictions receive this funding, leaving gaps in planning and coordination. SB 866 addresses these gaps by requiring jurisdictions without HHAP funding to include comprehensive homelessness planning in their housing elements. This includes identifying available resources, outlining connections to services, and reporting standardized data on outcomes. Together, these requirements promote a more coordinated, transparent, and effective statewide response to homelessness.”

- 2) *How to Solve California’s Homelessness Crisis.* The overwhelming evidence shows that the solution to homelessness is providing more habitable, stable, and permanent housing at all income levels, and in particular, more housing affordable to the lowest income earners. While increasing the supply of affordable housing is the priority solution to the homelessness crisis, there can be a spectrum of housing interventions that different levels of governments could offer, depending on the specific needs of the individual or family experiencing homelessness. These interventions range from short-term and interim interventions (such as emergency shelters, tiny home communities, and low barrier navigation centers), to long-term, permanent housing interventions (such as housing choice vouchers, rental subsidies and rapid rehousing, landlord incentives, and permanent housing), to homelessness prevention altogether (such as rapid rehousing and diversion programs). All of these interventions play a role in a homeless response system.

For example, many families merely require temporary rental assistance to maintain their housing or rapid rehousing to reconnect to permanent housing. Some populations require more intensive services in conjunction with permanent housing options. For those living on the streets or in encampments, emergency shelter can provide short-term, temporary respite. However, shelters can impose requirements that present barriers to entry (such as restrictive hours, only offering congregate settings, or disallowing pets), which mean working families and marginalized community members may not be able to or feel comfortable using them. Shelters also have very low success rates at connecting people to permanent housing (in California from 2018-2024, the rate was 22%<sup>1</sup>). Interim solutions, such as bridge housing communities, low barrier navigation centers, and tiny home communities typically offer non-congregate housing and healthcare services, particularly to marginalized communities, families, and those with pets. These interventions may play a stabilizing role before a more permanent solution (such as rental assistance or the construction of a new unit) can be attained. However, interim housing interventions

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<sup>1</sup> Lauren Helper. *Calmatters: A Volunteer Jail: Inside the Scandals and Abuse Pushing Californians Homeless Out of Shelters.* Accessible here: <https://calmatters.org/housing/2025/02/california-homeless-shelters-purgatory/>

similarly have high rates of returns to homelessness without access to permanent housing.

While each jurisdiction or region must evaluate existing resources and identify the appropriate means to address unique needs, research shows that creating more shelter beds and interim beds *alone* do not decrease the number of people experiencing homelessness. In fact, people residing in emergency shelters or interim housing (including low barrier navigation centers or tiny homes) are still considered homeless by the US Department of Housing and Urban Development (HUD).

The goal of any effective homelessness response system should be to maximize every shelter or interim bed as a means to connect a homeless individual or family to permanent housing. To do so, communities must typically invest far more in permanent housing and homelessness prevention than in short-term and interim interventions. Here's why:

- a) If a homeless response system creates far more housing than shelter beds, people can exit emergency shelters and interim housing more quickly, freeing up that bed for another resident.
  - b) The more housing the response system funds, the more people can cycle through the same interim bed, creating effective flow from interim intervention to permanent housing, thereby allowing a greater number of people to exit homelessness.
  - c) As a homeless response system builds up housing inventory through sustained, ongoing funding at scale, it can begin to ramp down the number of interim beds it operates, saving funding from decreasing investment in more expensive interim beds to invest in permanent housing.
- 3) *Recent state investments.* Traditionally, homelessness responses in California were considered the responsibility of the federal and local governments (cities, counties, and CoCs). This included financing, land use policies, tenant protections, physical and behavioral health services, social services, and more. Within the past decade, the State began playing a more active role in the homelessness response system by investing more heavily in prevention and response programs, streamlining the production of affordable housing, and facilitating greater coordination across state and local/regional sectors. California operates several programs that provide loans, grants, and tax credits to developers and local governments for the creation, rehabilitation, and preservation of affordable housing. The State also has several homeless assistance programs that have been updated, expanded, and

streamlined over the past decade or longer—many of which receive funds or supplement funds from the federal government.

Between Fiscal Years 2018-19 and 2020-21, California increased its investment in affordable housing and homelessness-focused programs by more than \$1.5 billion; between Fiscal Years 2018-19 and 2020-21, the state directed \$9.6 billion in affordable housing and homelessness programs. The state did so by funding, administering, and/or implementing 35 programs administered by nine state agencies and departments aimed at expanding access to housing, health, and social services for people experiencing or at risk of homelessness. More recently, however, California has reduced its one-time investments due to challenging budget years. In 2024-25, the state provided over \$1 billion for homelessness, and in 2025-26, this was reduced to about \$650 million.

- 4) *HHAPP: Overview, Accountability, and Coordination.* The HHAP Program was created to provide jurisdictions with one-time grant funds to expand or develop local capacity to address immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing. Program funds can be used for services for those experiencing homelessness or at risk of homelessness, such as rapid rehousing, operating subsidies, street outreach, services coordination, delivery of permanent and innovative housing solutions, and homelessness prevention. HHAPP replaced a prior program, the Homeless Emergency Aid Program (HEAP), which also provided block grants to large cities and Continuums of Care (CoCs) for a variety of solutions addressing homelessness. Large cities (with a population of 300,000 or more), counties, CoCs, and tribes can apply for HHAPP funding. HCD recently made the applications for HHAPP round six available to eligible applicants.

Beginning with round four, HHAPP included robust accountability provisions, including the requirement that applicants develop a Regional Plan and performance goals. In addition, beginning with HHAPP round five, regions must submit a joint application, and Regional Plan, and set outcome goals that prevent and reduce homelessness over a three-year period, informed by the findings from a local landscape analysis and the jurisdiction's base system performance measure from 2020 calendar year data in the state Homeless Data Integration System (HDIS).

The Regional Plan includes all of the following:

- a) Identification and analysis of the specific roles and responsibilities of each participating jurisdiction in the region, as specified.
- b) A list of the most recent system performance measures for the region, which shall include age, racial, and ethnic disparities for specified information.
- c) A system performance and improvement plan with a description of key actions the region intends to take to improve system performance measures. May include key actions from small jurisdictions in the region that elect to engage in the regionally coordinated homelessness action plan.
- d) All applicants must demonstrate how the region will use available resources to sustain all existing and proposed interim housing investments within the region.

The outcome goals include metrics, based on the United States Department of Housing and Urban Development's System Performance Metrics (SPMs), to do the following:

- a) Reduce the number of persons experiencing homelessness;
- b) Reduce the number of persons who become homeless for the first time;
- c) Increase the number of people exiting homelessness into permanent housing;
- d) Reduce the length of time persons remain homeless;
- e) Reduce the number of persons who return to homelessness after exiting homelessness to permanent housing; and,
- f) Increase successful placements from street outreach.

Further, round six prioritizes homelessness prevention, permanent housing, and operational support for existing interim housing over uses of HHAPP funds that do not directly provide housing.

- 5) *Seeing results.* Despite the sobering data, California's state investments and policy decisions are working. From 2023-2024, the nation as a whole experienced an increase in homelessness eight times larger than the increase in California. During the same period, California had the largest reduction in the number of veterans experiencing homelessness in the nation, with 1,279 fewer veterans experiencing homelessness on a single night in January in 2024 than in 2023 (8% reduction year over year). Furthermore, California had the largest reduction in the number of unaccompanied youths experiencing homelessness in the nation, with 1,121 fewer unaccompanied youth experiencing homelessness on a single night in January 2024 than in January 2023. Individual jurisdictions also reported decreases in homelessness numbers:
  - a) Riverside County: 19% decrease in unsheltered homelessness

- b) Los Angeles County: 9.5% decrease in unsheltered homelessness, 4% decrease total
- c) San Bernadino County: 10.2% decrease in total homelessness
- d) San Diego County: 7% decrease in total homelessness
- e) City of Los Angeles: 7.9% decrease in unsheltered homelessness, 3.4% decrease total
- f) Bakersfield's Continuum of Care: 2.3% decrease in total homelessness

According to the UCSF Benioff Homelessness and Housing Initiative (UCSF Benioff), the reason for the reduction in veteran homelessness in California is because California has adequately scaled the evidence-based responses which include Housing First, and housing subsidies paired with appropriate services. The same conclusion can be reached for the reduction in homeless youth numbers, given consistent youth set asides in key programs (HHAPP and Homekey) for this population. UCSF Benioff notes that while the overall increase in homelessness numbers is lower than the national trend, the enormous number of people experiencing homelessness in California reflects the ongoing crisis caused by the lack of affordable housing in California. That said, state funds have allowed California's homeless response providers to serve more people than ever before:

- a) In 2024, providers served 356,660 Californians, over 20,000 more Californians than in 2023.
- b) In the first half of 2025, providers served 265,716 Californians, including: 176,101 individuals and 88,373 people in families with children, of which 38,496 were unaccompanied youth.

Additionally, Rounds 5 and 6 of HHAPP encouraged counties to allocate resources from program funding to smaller jurisdictions that participate in and commit to complying with the regionally coordinated homeless action plan. Round 6 of HHAPP specifically authorized small cities to sign the MOU and commit to participate in the action plan. According to NAEH, Alameda, Butte, Humboldt, San Diego, Sonoma, and Tehama are already seeing small city participation in informing and approving regional HHAPP plans.

- 6) *Housing elements: homelessness programs.* In general, a housing element must identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet its share of the RHNA, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development. As part of the process to identify adequate sites, a city or county first prepares an inventory of existing sites zoned for housing. It must also determine what portion of the jurisdiction's very low-income need comprises the needs of extremely low-income households. In assessing the

need for extremely low-income housing (ELI), the locality may either conduct an independent analysis or assume that the need is 50% of the regional need allocation for very low-income (VLI) housing.

An analysis of the homeless and unhoused population is essential to determining the need for emergency shelters and transitional housing. The analysis is required to include estimates of numbers and types of households (e.g., single men, single women, families, and persons with disabilities, including people with impairments related to substance abuse), a description of needs, resources available to meet those needs and a description of program or policy options for addressing the need. According to HCD guidance, it should also include an estimate of units to vouchers currently available to assist this population. The emergency shelter need must be based on both annual and seasonal need to ensure that communities provide for sufficient shelter during periods of cold and inclement weather.

- 7) *Increasing transparency and regional coordination statewide.* This bill would build upon the regional coordination efforts and increased data transparency required for big cities and counties that apply for HHAPP funds by requiring housing element homelessness programs for all California jurisdictions to provide information about key actions taken locally and in coordination with the region. Specifically, this bill would expand the homelessness program in the housing element for any local government that is not a HHAPP recipient to provide an itemized list of all public funds available to assist the homeless (including for housing and mental and behavioral health); actions taken to connect homeless individuals to available funds; specified data on people experiencing homelessness; actions taken to reduce overall homelessness; actions taken to coordinate within the region; and a description of any local homelessness programs and actions taken to prevent vulnerable populations from becoming unhoused.

These provisions also require greater accountability by requiring local governments to identify their individual roles and responsibilities – such as existing land use powers and site coordination – for addressing housing and homelessness, and how those roles complement efforts and roles by other actors in the region. According to some HHAPP recipients, the regional coordination requirements have already incentivized some smaller, non-HHAPP recipients to engage with broader regional coordination efforts. In fact, as noted in comment 5, smaller jurisdictions participating in the regional coordination process and informing HHAPP plans.

Further, it encourages smaller jurisdictions to think holistically about the resources available to them. Prompting all local governments – specifically non-HHAPP recipients – to think globally about their programs and existing funds and to engage with broader regional efforts can create bridges and increase more seamless coordination amongst siloed departments within a jurisdiction and encourage greater accounting of various resources that can be utilized to serve people experiencing homelessness. Additionally, these new data points create more transparency around the availability of public sources and programs already in place to assist people experiencing homelessness.

The author proposed a similar policy heard by this Committee last year. At that time, the author worked with the opposition and the committee to scale back the data points initially included in the housing element program recognizing that some data available to larger jurisdictions will not be available to smaller jurisdictions. This bill seeks to strike a similar balance, and to that end, does not require smaller cities to complete nearly the same level of analysis or coordination that is required of HHAPP recipients. As noted in Comment 4, for example, HHAPP recipients must set outcome goals that prevent and reduce homelessness over a three-year period, informed by the findings from a local landscape analysis and the jurisdiction's base SPMs from 2020 calendar year data in the state HDIS. This bill does not impose those requirements on non-HHAPP recipient cities because they do not have the resources available to them through HHAPP that are necessary to achieve those goals.

The opposition to this bill, however, note that because this bill will be limited in application to cities (as counties are eligible to receive HHAPP funds), provisions related Behavioral Health Services Act (BHSA) and Mental Health Services Act (MHSA) will not apply to them. *In order to ensure the intent of creating better regional coordination and more accurately reflect jurisdictional roles and responsibilities, moving forward, the author may wish to consider instead requiring cities to coordinate with counties to identify ways for cities to access BHSA and MHSA services.*

The opposition also note that housing element programs are updated every 8 years, so a homelessness program that is not updated routinely would provide stale data. **The author has agreed to require the homelessness program be updated at least every 2 years following the completion of the PIT count.**

- 8) *Seeing double.* The changes in this bill are substantially similar to provisions contained in SB 16 (Blakespear, 2025). Those provisions were removed by the author when the bill got to the Assembly and replaced with different provisions

related to homelessness. That bill is pending in the Assembly Committee on Housing and Community Development.

- 9) *Opposition.* The League of California Cities is opposed to this bill requiring non-HHAPP recipient cities from reporting new metrics in their housing elements. They also note the concerns identified in Comment 7. Instead, they are asking for amendments to “require smaller cities to have a seat at the table for the regional planning process” in HHAPP.

### **Related/Prior Legislation**

**SCR 131 (Blakespear, 2026)** – this resolution urges the Governor, relevant state agencies, and all local governments to adopt an urgent and coordinated approach to both end and prevent unsheltered homelessness statewide through the full activation of interim and permanent strategies, as well as interventions to prevent individuals and families from falling into unsheltered homelessness, and fund all interventions and reforms that prioritize housing unsheltered Californians. *This resolution is pending before the Senate Housing Committee.*

**SB 16 (Blakespear, 2025)** – enacts the Ending Streets Homelessness Act to require applicants for Round 7 of the Homelessness Housing, Assistance, and Prevention Program (HHAP) to identify goals to reach functional zero for homelessness and city and county applicants to submit an MOU describing their roles and responsibilities as it relates to homelessness. Prior version in the Senate would have expanded the data local governments provide in the housing element specific to homeless populations. *This bill is pending in the Assembly Committee on Housing and Community Development.*

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

**POSITIONS:** (Communicated to the committee before noon on Wednesday, April 8<sup>th</sup>, 2026)

#### **SUPPORT:**

City of Riverside  
Corporation for Supportive Housing  
National Alliance to End Homelessness

#### **OPPOSITION:**

City of Artesia  
City of LA Mirada

City of Lathrop  
City of Oakley  
City of Stanton  
League of California Cities

**-- END --**