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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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### SB 866 (Blakespear) - Planning and zoning: housing element: unhoused population

**Version:** April 28, 2026

**Urgency:** No

**Hearing Date:** May 11, 2026

**Policy Vote:** HOUSING 8 - 1

**Mandate:** Yes

**Consultant:** Mark McKenzie

**Bill Summary:** SB 866 would require a local government that does not receive funding under the Homeless Housing, Assistance, and Prevention (HHAP) Program, to include in their housing elements additional data on unhoused populations and actions taken to address homelessness, as specified.

#### **Fiscal Impact:**

- The Department of Housing and Community Development (HCD) would incur unknown ongoing costs, potentially in the low hundreds of thousands of dollars annually, to provide continued technical assistance to local jurisdictions regarding the new housing element requirements. Staff notes that these requirements only apply to local jurisdictions that do not receive funding under the HHAP program. (General Fund)
- Unknown significant local costs for smaller jurisdictions that do not receive HHAP funding to include additional information regarding homelessness in their housing elements, as specified. Local costs related to housing element updates are generally not be state-reimbursable because cities and counties have the authority to charge and adjust planning and permitting fees to cover their administrative expenses associated with new local planning mandates. See staff comments. (local funds)

**Background:** Existing law requires cities and counties to prepare a general plan comprised of seven mandatory elements, including a housing element that includes an identification of existing and projected housing needs. The housing element must include an inventory of land suitable for residential development, which is used to identify sites that can be developed for housing within the planning period that is sufficient to meet the regional housing needs for all income levels. Existing law requires the housing element to include an analysis of any special needs housing, including families and persons in need of emergency shelter, and the identification of zoning designations that allow residential uses, including mixed uses, where emergency shelters are allowed as a permitted use. Housing elements must be updated every eight years in urban areas, and every five years in more rural areas.

Existing law, as enacted by AB 101 (Budget Committee), Chap. 159/2019, establishes the HHAP Grant Program to provide jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. HHAP funding is 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. Large cities (with a population of 300,000 or more), counties, Continuums of Care (COCs), and tribal entities can apply for HHAP funding.

Since 2019, HHAP has received 7 rounds of funding totaling \$5.45 billion through General Fund appropriations in the annual Budget Act. Of this amount \$3.9 billion has been awarded. Round 6 of HHAP, funded at \$1 billion, is in the awards phase. Round 6 prioritizes homelessness prevention, permanent housing, and operational support for existing interim housing over uses of HHAP funds that do not directly provide housing. Existing law requires a jurisdiction that is not a tribe to apply as part of a region and be signatory to a Round 6 regionally coordinated homelessness action plan, which must include the most recent performance measures for the region, as specified. As of April 2026, HCD has awarded more than \$724 million across 31 of 42 regional applications submitted. Round 7 of HHAP received a reduced \$500 million in the Budget Act of 2025, contingent on additional accountability, with a commitment that funds will go out in an expedited fashion. The Governor's proposed 2026-27 budget maintains the \$500 million Round 7 appropriation but provides no additional funding for Round 8.

**Proposed Law:** SB 866 would require local agencies that do not receive HHAP funding to include the following in their housing elements, which must be updated at least every two years following completion of the point-in-time count:

- An itemized list of the specific federal, state, and local resources available to assist individuals who are unhoused, including interim and permanent housing, including mental and behavioral health services.
- A description of the actions taken by the local government to connect individuals who are unhoused to those specified resources.
- The most up-to-date data on the number of individuals who are unhoused, including the following, which must be disaggregated by age, racial, and ethnic demographics:
  - The number of people who are unhoused.
  - The average length of time individuals are unhoused.
  - The number and percentage of individuals who are unhoused that moved into permanent housing.
  - The number of people who became unhoused after moving into permanent housing.
  - The number of people who became unhoused for the first time.
  - The number of people who became unhoused after exiting institutional settings, including jails, prisons, and hospitals.
- A description of key actions that will be taken to reduce individuals who are unhoused, based on the above data points.
- Actions taken to coordinate with cities in the region, counties or council of governments, including entering into an MOU as part of a regional housing plan required by the HHAP program, 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.
  - 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.
- Identification 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.

**Related Legislation:** AB 1708 (Solache), which is currently pending in the Assembly Appropriations Committee, would require a regionally coordinated homelessness action plan prepared under Round 8 of the HHAP to include certain components necessary to allocate a portion of the funding to cities with a population under 300,000, as specified.

SB 16 (Blakespear), which is pending in the Assembly Housing and Community Development Committee, would require applicants for Round 7 of the 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. An earlier version of SB 16, as approved by the Senate, included provisions that were nearly identical to this bill.

**Staff Comments:** This bill would impose significant new mandated costs on certain local agencies who do not receive HHAP funding by requiring the inclusion of additional data and information regarding unhoused populations and actions taken to address homelessness in their housing elements. This requirement would apply to all but 14 of the state's 483 cities. The bill's mandated local planning costs associated with these new duties would generally not be subject to state reimbursement because local agencies have the authority to charge and adjust planning and permitting fees as necessary to cover administrative costs. Existing law authorizes planning and zoning fees to "include the costs reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations." Case law and previous decisions by the Commission on State Mandates support the position that local governments' planning costs are not reimbursable when the state imposes new planning mandates.

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