
THIRD READING

Bill No: SB 866
Author: Blakespear (D)
Amended: 4/28/26
Vote: 21

SENATE HOUSING COMMITTEE: 8-1, 4/15/26

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

NOES: Ochoa Bogh

NO VOTE RECORDED: Seyarto

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/14/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

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

SOURCE: Author

DIGEST: This bill expands 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 of the following:
 - i. Outreach and site coordination;
 - ii. Siting and use of available land, the development of shelter, interim, and permanent housing options; and
 - iii. Coordination and connection with a county to the delivery of services to individuals who are unhoused, or at risk of becoming unhoused, including accessing services provided by 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 homelessness 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

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). 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.

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.

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. In addition to identifying sites to accommodate the various RHNA categories, the housing element contains a number of housing programs. Specifically, the housing element must include 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.

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. 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 in the broader region.

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

According to the Senate Appropriations Committee:

- 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)

SUPPORT: (Verified 5/14/26)

Bay Area Council
City of Riverside
Corporation for Supportive Housing
Dignitymoves (UNREG)
Mayor Matt Mahan, City of San Jose

National Alliance to End Homelessness
New California Coalition

OPPOSITION: (Verified 5/14/26)

City of Tulare
City of Albany
City of Artesia, California
City of Brawley
City of Buena Park
City of Carpinteria
City of Chowchilla
City of Citrus Heights
City of Colton
City of Cypress
City of Downey
City of El Centro
City of Fillmore
City of Fremont
City of Glendora
City of Grand Terrace
City of Gustine
City of Hesperia
City of Highland
City of Inglewood City Hall
City of Kingsburg
City of LA Mirada
City of Lake Forest
City of Lakewood CA
City of Lathrop
City of Lomita
City of Los Alamitos
City of Lynwood
City of Manteca
City of Mission Viejo
City of Modesto
City of Montclair
City of Mountain House
City of Norwalk
City of Oakley
City of Oceanside

City of Paramount
City of Pico Rivera
City of Rancho Palos Verdes
City of Rancho Santa Margarita
City of Redondo Beach
City of Rio Dell
City of Rolling Hills Estates
City of San Bernardino
City of San Luis Obispo
City of Santa Paula
City of Scotts Valley
City of Simi Valley
City of Soledad
City of South Lake Tahoe
City of Stanton
City of Thousand Oaks
City of Tracy
City of Walnut Creek
City of Whittier
League of California Cities
Town of Apple Valley
Town of Mammoth Lakes
Town of Yucca Valley

ARGUMENTS IN SUPPORT: “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.”

ARGUMENTS IN OPPOSITION: The League of California Cities is opposed to this bill requiring non-HHAPP recipient cities from reporting new metrics in their housing elements. Instead, they are asking for amendments to “require smaller cities to have a seat at the table for the regional planning process” in HHAPP.

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5/16/26 9:25:40

**** **END** ****