

Date of Hearing: July 1, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

SB 866 (Blakespear) – As Amended June 23, 2026

SENATE VOTE: 26-9

SUBJECT: Planning and zoning: annual report: emergency shelter

SUMMARY: Requires a local government to submit, beginning with the first annual progress report (APR) submitted after the due date for the seventh cycle revision of the housing element, the following information regarding the special housing needs of families and persons in need of emergency shelter. Specifically, **this bill:** Requires the following information to be included in the APR:

- 1) A list of any federal, state, or local funding to address the housing needs of families and persons in need of emergency shelter, including the amount of funding, if any, received from the Homeless Housing, Assistance, and Prevention program (HHAP);
- 2) A description of any actions taken to conduct outreach to individuals who are unhoused to inform them about the resources available to them;
- 3) The current point-in-time (PIT) count data provided by the continuum of care, if available;
- 4) Any action taken to assist in the development of adequate housing to meet the needs of extremely low-income households in accordance with Housing Element Law;
- 5) Any action taken to coordinate with cities in the region, counties, or council of governments, including identification of the specific roles and responsibilities regarding outreach, shelter, interim, and permanent housing options, and services; and
- 6) Identification of programs that seek to prevent individuals from becoming unhoused and other actions taken that seek 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.

EXISTING LAW:

- 1) Requires a planning agency to provide an APR to the legislative body, the Office of Planning and Research, and the HCD by April 1 of each year that includes all of the following:
 - a) The status of the general plan and progress in its implementation;
 - b) The progress in meeting its share of the regional housing needs allocation (RHNA), including the need for extremely low-income households, and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing included in the housing element;

- c) The number of housing development applications received in the prior year, including whether each housing development application is subject to a ministerial or discretionary approval process;
 - d) The number of units included in all development applications in the prior year;
 - e) The number of units approved and disapproved in the prior year, disaggregated into income subcategories within opportunity areas, as specified;
 - f) The degree to which the approved general plan complies with the guidelines developed in existing law for addressing specified matters, including environmental justice matters, collaborative land use planning of adjacent civilian and military lands, consultation with Native American tribes, and road and highway safety;
 - g) A listing of sites rezoned to accommodate that portion of the city or county's share of the RHNA for each income level that could not be accommodated on sites identified in the housing element's site inventory and any sites that may have been required to be identified under the No Net Loss Zoning law;
 - h) The number of housing units demolished and new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy, thus far in the housing element cycle, and the income category by AMI that each housing unit satisfies;
 - i) Certain information regarding funding that may have been allocated via the Local Government Planning Support Grants Program;
 - j) The progress of the city or county in adopting or amending its general plan or local open-space element in compliance with its obligations to consult with California Native American tribes and to identify and protect, preserve, and mitigate impacts to tribal places, features, and objects;
 - k) Specified information related to density bonus law applications, including the number of units in a student housing development for lower income students for which the developer was granted a student housing density bonus;
 - l) Specified information related to Affordable Housing and High Road Jobs Act of 2022 applications; and
 - m) A list of all historic designations listed on the National Register of Historic Places, the California Register of Historic Resources, or a local register of historic places by the city or county in the past year, and the status of any housing development projects proposed for the new historic designations. (Government Code (GOV) 65400)
- 2) Requires HCD to post APR reports on its website within a reasonable time of receiving the reports. (GOV 65400)
- 3) Established HHAP 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. (Health and Safety Code Section (HSC) 50216)

- 4) Requires HHAP to be used for evidence-based solutions that address and prevent homelessness among eligible populations, including any of the following:
 - a) Rapid rehousing, including rental subsidies and incentives to landlords, such as security deposits and holding fees;
 - b) Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, and navigation centers. Operating subsidies may include operating reserves;
 - c) Street outreach to assist persons experiencing homelessness to access permanent housing and services;
 - d) Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing;
 - e) Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system, particularly for vulnerable populations, including families and homeless youth;
 - f) Delivery of permanent housing and innovative housing solutions, such as hotel and motel conversions;
 - g) Prevention and shelter diversion to permanent housing, including rental subsidies; and
 - h) Interim sheltering, limited to newly developed clinically enhanced congregate shelters, new or existing noncongregate shelters, and operations of existing navigation centers and shelters based on demonstrated need. Demonstrated need for purposes of this paragraph shall be based on the following:
 - i) The number of available shelter beds in the city, county, or region served by a Continuum of Care (CoC);
 - ii) The number of people experiencing unsheltered homelessness in the homeless Point-in-Time (PIT) count;
 - iii) Shelter vacancy rate in the summer and winter months;
 - iv) Percentage of exits from emergency shelters to permanent housing solutions; and
 - v) A plan to connect residents to permanent housing. (HSC 50220.7)
- 5) Requires, beginning with the third round of HHAP, applicants to provide the following information for all rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework:
 - a) Data on the applicant's progress towards meeting their outcome goals, which must be submitted annually on December 31 of each year through the duration of the program;

- b) If the applicant has not made significant progress toward their outcome goals, the applicant must submit a description of barriers and possible solutions to those barriers;
- c) Applicants that do not demonstrate significant progress towards meeting outcome goals must accept technical assistance from Cal-ICH and may also be required to limit the allowable uses of these program funds, as determined by the council;
- d) A quarterly fiscal report of program funds expended and obligated in each allowable budget category approved in their application for program funds; and
- e) If the applicant has not made significant progress toward their outcome goals, then the applicant must report on their outcome goals in their quarterly report. (HSC 50220.7)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "California continues to face a homelessness crisis, with more than 123,000 Californians living unsheltered on any given night. Addressing homelessness requires coordination across cities, counties, and regional partners, yet information about local funding, outreach, housing efforts, and regional collaboration is not consistently reported statewide. SB 866 addresses this gap by requiring cities and counties to include additional homelessness information in their existing Annual Progress Reports submitted to the Department of Housing and Community Development. Rather than creating a new reporting process, the bill builds on the existing Annual Progress Report by adding targeted information on local homelessness funding, outreach, regional coordination, and prevention efforts. By leveraging an existing reporting framework, SB 866 provides policymakers and communities with more consistent information to strengthen regional coordination and support informed decision-making in addressing homelessness while minimizing administrative burden on local governments."

The High Cost of Housing: The high cost of housing is the cause of homelessness in California. Other states with higher rates of overdose but lower costs of housing report much lower rates of homelessness. West Virginia leads overdose deaths per capita but has one of the lowest homelessness rates in the country. A study by the National Low Income Housing Coalition found that West Virginia has 50 affordable and available rental homes for every 100 extremely-low-income households, more than double the number that California has. A family in West Virginia can afford a two-bedroom rental on less than \$17 an hour – the second-lowest figure in the nation. In California, a family would need more than \$40 per hour to be able to afford an average two-bedroom rental.

California needs an additional 2.5 million units of housing to meet the state's need, including 643,352 for very low-income households and 394,910 for lower income households. Since 2018, California has permitted 890,000 units of new housing, with 126,000 of those being low- and very low-income units. The Legislature has passed major legislation in recent years to allow affordable housing to be built on almost any site in the state. However, the lack of housing overall and, in particular, the continued lack of sufficient affordable housing is a problem that is decades in the making. Millions of Californians, who are disproportionately lower income and people of color, must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation—one in three households in the state doesn't earn

enough money to meet their basic needs. Currently, according to HDIS data, for every five individuals who access homelessness services in California, only one is housed each year, leaving four unhoused.

California Statewide Study of People Experiencing Homelessness (CASPEH): The University of California, San Francisco Benioff Housing and Homelessness Institute conducted the CASPEH, the largest representative study of homelessness since the mid-1990s and the first large-scale representative study to use mixed methods (surveys and in-depth interviews). They administered questionnaires to nearly 3,200 participants and conducted in-depth interviews with 365 participants. Their report provides evidence to help shape the state's policy response to homelessness. The median age of participants was 47 (range 18-89). Participants who report a Black (26%) or Native American or Indigenous identity (12%) were overrepresented compared to the overall California population. Thirty-five percent of participants identified as Latino/x.

The report found that people experiencing homelessness in California are Californians. Nine out of ten participants lost their last housing in California; 75% of participants lived in the same county as their last housing. The median monthly household income in the six months prior to homelessness across all CASPEH participants was \$960. Almost all participants met criteria to be considered "extremely low-income" or making less than 30% of the Area Median Income. Participants' inability to afford housing was both the underlying cause of homelessness and the primary barrier to their returning to housing. Evidence and interviews with people who are experiencing homelessness show that a small amount of shallow subsidy could keep people from falling into homelessness. This finding was true throughout California, not only in the high-cost coastal regions.

HHAP: Beginning in 2018, in response to a growing number of people experiencing unsheltered homelessness, the state began investing significantly in the local homelessness response system through HHAP. HHAP provides one-time grants to cities with populations over 300,000 (big cities), CoCs, and counties to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. Investments are 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. Big cities, CoCs, and counties can use HHAP for operating subsidies for shelters and supportive housing; construction of shelter, interim housing, supportive housing, landlord incentives, rental assistance, rapid rehousing, homelessness prevention, shelter diversion; street outreach, and services coordination. The program has received 7 rounds of funding totaling \$5.45 billion from 2019-2025, of that, \$3.9 billion has been awarded, and \$2.3 billion has been expended. Round 6 of HHAP is available to applicants and an additional \$500 million was included in this year's budget, contingent on more accountability, with a commitment that funds would go out in an expedited fashion. Homelessness in California has gone down by 9% since the state started investing in the homelessness response system through HHAP. Data shows that HHAP has helped 100,000 people be permanently housed from January 2023 to September 2025.

HHAP funding has significant accountability measures attached to it. Applicants must submit monthly fiscal reports and regular reporting on metrics designed to move people experiencing homelessness into permanent housing. Applicants must develop regional plans that identify how multiple sources of funds can be used to support a best-practices framework to move homeless individuals and families into permanent housing. Local Action Plans require HHAP recipients to

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 Homeless Data Integration System (HDIS). The outcome goals included defined metrics, based on HUD's system performance measures, to do the following:

- Reduce the number of people experiencing homelessness;
- Reduce the number of people who become homeless for the first time;
- Increase the number of people exiting homelessness into permanent housing;
- Reduce the length of time people remain homeless;
- Reduce the number of people who return to homelessness after exiting homelessness to permanent housing; and
- Increase successful placements from street outreach.

Small Jurisdictions and HHAP: Big cities, CoCs, and counties are required to develop a regionally coordinated homelessness action plan and sign Memorandums of Understanding (MOUs) agreeing to participate and comply with the action plan. Smaller jurisdictions in the region may also sign the MOU and commit to participate in and comply with the regionally coordinated homelessness action plan. Counties are encouraged to allocate resources from program funding to smaller jurisdictions that participate in and commit to complying with the regionally coordinated homelessness action plan. If HHAP recipients are not making progress toward meeting their performance metrics listed above, HCD may require them to develop a system performance and improvement plan. If smaller jurisdictions participate in the regional plan, they would be part of the system performance and improvement plan, which requires the applicants to develop a timeframe for steps and completion of each key action, the methods of measuring the success of each key action, and related system performance measures that will demonstrate success of the key action.

PIT and Housing Inventory Count (HIC): The PIT is a count of sheltered and unsheltered people experiencing homelessness on a single night in January. The Department of Housing and Urban Development (HUD) requires that CoCs conduct an annual count of people experiencing homelessness who are sheltered in emergency shelter, transitional housing, and Safe Havens on a single night. CoCs also must conduct a count of unsheltered people experiencing homelessness every other year (odd-numbered years). Each count is planned, coordinated, and carried out locally.

The HIC is a point-in-time inventory of provider programs within a CoC that provide beds and units dedicated to serving people experiencing homelessness (and, for permanent housing projects, where homeless at entry, per the HUD homeless definition), categorized by five program types: Emergency Shelter; Transitional Housing; Rapid Re-housing; Safe Haven; and Permanent Supportive Housing. Data for the PIT count and HIC are submitted to HUD via the online data submission Homelessness Data Exchange (HDX). The definitions of emergency shelter and permanent housing are almost identical to the federal definitions in the HIC, which should make it easier for local jurisdictions to report data as part of the APR.

RHNA and Housing Elements: The RHNA process is used to determine how many new homes, and the affordability level of those homes, each local government must plan for in its housing element to cover the duration of the next planning cycle. The state is currently in the sixth housing element cycle. The seventh RHNA cycle will begin for some COGS in 2027. The

RHND is assigned at the COG level, while RHNA is suballocated to subregions of the COG or directly to local governments. RHNA is currently assigned via four income categories: very low-income (0-50% of AMI), low-income (50-80% of AMI), moderate income (80-120% of AMI), and above moderate income (120% or more of AMI). Beginning with the seventh cycle, two new income categories will be incorporated for acutely low-income (0-15% of AMI) and extremely low-income (15-30% of AMI).

Annual Progress Reports: Current law requires all local jurisdictions to provide housing information annually to HCD via the APR, including the following information from the current housing element cycle:

- The number of housing development applications received, and whether those applications are subject to ministerial or discretionary approval;
- The number of units included in all development applications;
- The number of units approved and disapproved;
- For each income category, the number of net new units of housing, including both rental housing and for-sale housing, that have been issued a completed entitlement, a building permit, or a certificate of occupancy;
- A unique site identifier (such as assessor's parcel number) for each entitlement, building permit, or certificate of occupancy; and
- The overall progress in meeting its share of regional housing needs.

It is important to note that APR submission has become a lengthy and involved process for city and county planning staff to undertake each year, and changing components can also prompt HCD to need to reconfigure its existing APR data collection and visualization tools to account for different categories of information. Adding new components to APRs should be considered carefully in light of the additional workload that will be placed on planning staff or consultants as well as HCD.

This bill would add additional reporting requirements to the APR for cities and counties. Jurisdictions would be required to report a list of any federal, state, or local funds they allocate toward addressing homelessness, including funds from HHAP. In addition, any available PIT data for the jurisdiction. This data may not be available for smaller cities. The CoC conducts the PIT count and may not break down data by jurisdiction. Additionally, local jurisdictions must provide a description of any actions taken to reach out to people who are unhoused to inform them of the resources available to them, actions to develop housing for extremely low-income households, prevention activities, and actions to coordinate regionally with other jurisdictions. These requirements would apply to the 7th and subsequent housing element cycles.

Arguments in Support: None on file that reflect the current version of the bill.

Arguments in Opposition: None on file that reflect the current version of the bill.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file for the current version of the bill.

Opposition

None on file for the current version of the bill.

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