Date of Hearing: July 2, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 16 (Blakespear) – As Amended April 24, 2025

AS PROPOSED TO BE AMENDED

SENATE VOTE: 29-2

SUBJECT: Homeless Housing, Assistance, and Prevention program: housing element: unsheltered and chronic homelessness: assessment and financing plan

SUMMARY: 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. Specifically, **this bill**:

1) Defines "functional zero" to mean a milestone indicating a community has measurably solved homelessness, when homelessness becomes rare and brief and people falling into homelessness are able to be rehoused quickly in housing without limits on length of stay or in permanent housing.

2) Requires applicants for HHAP Round 7 (cities, counties and Continuums of Care (CoCs)) to identify annual goals for reaching functional zero over an eight year horizon in their jurisdiction. Provides that nothing prohibits an applicant from setting goals to reach functional zero over a shorter period of time.

3) Requires applicants to set specific annual goals for reducing their unsheltered point in time count and include an explanation for how they will reduce their unsheltered population through permanent housing, in coordination with interim housing and outreach services.

4) Requires city and county applicants to include sites identified for shelters in their housing elements in their HHAP Round 7 applications.

5) Requires each county and each city that submits an application for HHAP Round 7 to sign a memorandum of understanding (MOU) that meets the requirements of this bill. Requires the MOU to commit the participating jurisdiction to the of the following:

    a) A city applicant shall be responsible for all of the following:

        i) Siting, developing, and operating affordable housing, permanent supportive housing, and interim housing; and

        ii) For any interim housing operated within its jurisdiction maintenance, security, utilities, and meals.

b) An applicant that is a county shall be responsible for both of the following:

i) Siting, developing, and operating affordable housing, permanent supportive housing and interim housing within the unincorporated areas of the county; and

ii) For any interim housing operated within its jurisdiction, all of the following:

I) Health and social safety net programs;

II) Assistance with enrollment in public benefit programs;

III) Specialty mental health and substance use disorder services; and

IV) Case management.

6) Provides that smaller jurisdictions in the region may also sign the MOU and commit to participation in, and compliance with, the requirements of 5) above.

7) Provides that counties are encouraged to allocate resources from program funding to smaller jurisdictions that participate in and commit to complying with the requirements of 5) above.

EXISTING LAW:

1) Establishes the HHAP 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 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 (HSC) 50217)

2) Requires, for a Continuum of Care (CoC) to receive HHAP funding, the CoC to provide the Cal-ICH data on the demographics and characteristics of the homeless populations in the jurisdiction and on current programs providing housing and homeless services, as reported to the federal government through the Homeless Management Integration System (HMIS) and HUD point-in-time counts. (HSC 50219)

3) Describes the eligibility requirements for HHAP Round 6 funding, which includes requiring a jurisdiction to participate in a regionally coordinated homelessness action plan that has been approved by the Department of Housing and Community Development (HCD). (HSC 50240)

4) Requires the HHAP Round 6 regionally coordinated homelessness action plans to include the most recent performance measures for the region of:

a) The number of people experiencing homelessness;

b) The average length of time people experience homelessness;

c) The percentage and number of people exiting homelessness into permanent housing;

d) The number of people who return to homelessness after exiting homelessness into permanent housing;

e) The number of people falling into homelessness for the first time; and

f) The number of people who return to homelessness after exiting institutional settings, including, but not limited to, jails, prisons, and hospitals. (HSC 50240)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "On any given day in our state, close to 130,000 people live without a roof over their heads. They live in community parks, canyons and riverbeds, and on sidewalks with their belongings. We know that more housing is the solution to homelessness, but we are not building traditional permanent housing at the pace this humanitarian crisis warrants, and the reality is that this is unlikely to change in the near future. The state should prioritize immediately building housing, as quickly and cost effectively as possible, to get people inside in a matter of months rather than years. This can be done by focusing on interim housing. With this policy change, we can end unsheltered homelessness. SB 16 would require, in order to be eligible for Homeless Housing, Assistance, and Prevention program funding, local agencies to set a plan for achieving functional zero homelessness within 8 years and to commit to minimum roles and responsibilities for city-county coordination. Our streets should not be the waiting room for unsheltered Californians. SB 16 would make safe, dignified sleeping places the minimum standard and drive local action to make that a reality. I respectfully urge an aye vote."

Homelessness in California: According to the 2024 point in time count, over 187,000 people experienced homelessness in California, which is a 3.1% increase from 2023 representing almost 25% of the nation's homeless population. Sheltered homelessness is when a person is living in a temporary place, such as a temporary shelter, and unsheltered homelessness is living out in the open or in places not designated for, or ordinarily used as, a regular sleeping accommodation for people (i.e. the streets, vehicles, or parks). The point in time count is required by HUD as a condition of receiving federal funding. Of that 2024 point in time count population, 123,974 people were experiencing unsheltered homelessness in the state.

The High Cost of Housing: Although some point to drug use as the cause of homelessness, it is the high cost of housing that is the root 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.

Grants Pass: On June 28, 2024, in a 6-3 decision the Supreme Court ruled in the case of City of Grants Pass v. Johnson that cities can enforce camping regulations against homeless individuals without violating the Eighth Amendment's ban on cruel and unusual punishment. This means cities can penalize individuals for sleeping outside, even if they have no other safe place to go, according to the Supreme Court. This has led to many cities sweeping encampments of homeless people and pushing them out into less populated areas. At least one city proposed an ordinance to criminalize anyone who offers water or other aid to a homeless person. The Mayor of San Jose has proposed to arrest people experiencing homelessness while acknowledging there are not enough mental health beds, permanent supportive housing, or affordable housing units to accommodate people.

Encampment sweeps that do not connect people to housing are ineffective and a waste of money. Los Angeles adopted an ordinance allowing city council members to designate areas in their district where unhoused people cannot sit, lie down, sleep, or keep belongings on sidewalks or other public areas. People are supposed to receive advanced warning and get help finding shelter before encampments are cleared. A report by the Los Angeles Homeless Services Authority (LAHSA) found that these designations and subsequent sweeps failed to keep the areas free of encampments and people largely returned. The report found that the city of Los Angeles spent millions on enforcement and 81% of people who were removed were ticketed, arrested, and later returned to where police cited them. As a result of the sweeps, service providers working to get people indoors lost contact with their clients, making it harder to connect people to shelter. People's belongings are often thrown away or destroyed in sweeps, including identification documents and vital records that they or service providers need in order to receive housing vouchers or permanent housing. Ninety-four percent of people forced to leave their location stated they wanted shelter, but only 18% were actually connected to shelter. A recent study in Seattle showed that fines and tickets prolonged people's homelessness by nearly two years.[1]

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[1] Court-imposed fines as a feature of the homelessness-incarceration nexus: a cross-sectional study of the relationship between legal debt and duration of homelessness in Seattle, Washington, USA | Journal of Public Health | Oxford Academic

Research supports encampment resolution when it is done in a coordinated fashion as part of a multi-system strategy to address the impacts of unsheltered homelessness. Shelter should only be an option when a more permanent housing placement is not available.

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 shows 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.

Of those interviewed, 41% noted that, during their current episode of homelessness, there was a time that they wanted shelter but could not access it, showing unmet need (and desire) for shelter. Those participants that did not report wanting to use a shelter during this episode of homelessness both said they wanted to and did not want to. Participants residing in congregate shelters reported being satisfied, generally, with their living arrangements. They appreciated having access to a place to bathe, hot food, and case management services. Some participants living in encampments reported negative views of shelters including concerns with COVID, other health risks of sleeping in close quarters, burdensome rules about securing a bed, curfews and having to leave during day as reasons not to stay in a shelter. Participants perceived the case management services in shelters to be ineffective at securing permanent housing.

Shelters: Shelters are a stopgap measure and cannot fully resolve homelessness. According to a recent investigative report by CalMatters, local governments have spent nearly $1 billion on shelters since 2018. The number of shelter beds more than doubled since 2018 from 27,000 to 61,000. Between 2018 and 2024, annual shelters death rates tripled – a total of 2,007 people died in that time period, which is nearly twice as many deaths as in California jails during the same period. Shelters are often unsafe and dirty places to stay. The same CalMatters report found that fewer than 1 in 4 residents who cycle through shelters each year move into permanent homes, far below what many shelter operators promised in their contracts with public agencies. Many shelters have barriers to entry and prevent people from bringing their possessions, partners, and pets. According to Homelessness Data Information System (HDIS) data collected on shelter

exits, fewer than one in four people, about 22%, are able to find housing when they leave a shelter.

Shelters are a costly and ineffective solution to homelessness. The City of New York, the City of Portland and Multnomah County, and the state of Massachusetts have adopted a right to shelter. A right to shelter is a legal mandate that requires local governments to provide emergency shelter to anyone experiencing homelessness. This approach to homelessness has had decidedly mixed results. In the City of New York, the unsheltered population is 4,294 out of 91,897 homeless people. Although many people are housed in New York, they are still homeless because they are living in temporary shelters or transitional housing. Some people have been living in shelters for years with no solution for permanent housing. This approach is also expensive and requires that resources for affordable housing go toward maintaining emergency shelters and not toward building supportive housing or for affordable housing. New York City spends $1.7 billion a year to maintain its shelter system, which is $30,000 per individual per year.

HHAP: Beginning in 2018, in response to a growing unsheltered homelessness count, the state begin investing significantly in the local homelessness response system. One-time funding for the Homelessness Emergency Assistance Program (HEAP) which evolved into HHAP has provided $3.95 billion to cities with populations over 300,000, counties, and Continuums of Care (CoCs). One billion is available for HHAP Round 6 funding and this year's budget will likely include $500 million for a Round 7 which would be available beginning July 2026.

What began as a block grant program to local governments now has significant accountability 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. HHAP applicants must submit Local Action Plans that include outcome goals showing how they plan to 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 HDIS. The outcome goals include definite metrics, based on the US Department of Housing and Urban Development's system performance measures, to do the following:

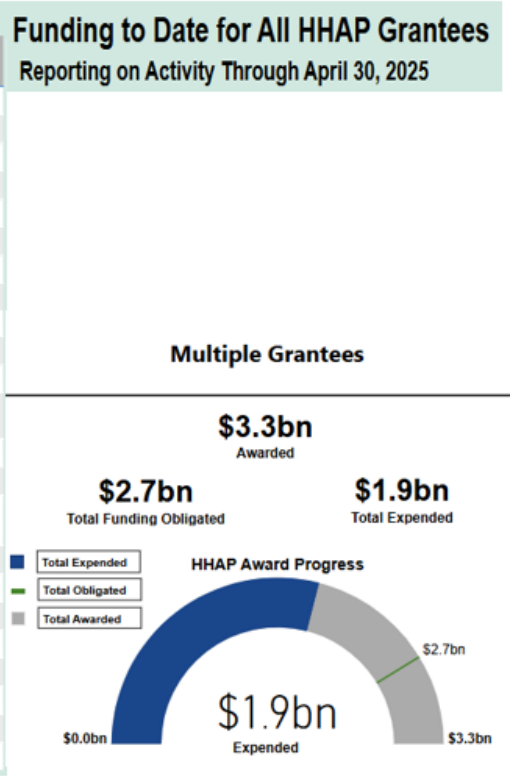
- Reduce the number of persons experiencing homelessness;
- Reduce the number of persons who become homeless for the first time;
- Increase the number of people exiting homelessness into permanent housing;
- Reduce the length of time persons remain homeless;
- Reduce the number of persons who return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

Interim housing/shelters are an allowable use of HHAP funds. Below is the snapshot of the HHAP Dashboard on HCD's website – it is hard to distill definitively how much funding went to shelter because the list of eligible uses has changed over the multiple rounds. The dashboard includes data from rounds 3, 4, and 5. The state did not collect data on Rounds 1 and 2 because at the time HHAP expenditures were viewed as one-time allocations by the Legislature, but the

bulk of funding in those rounds likely went to shelter because the initial focus was much more heavily on shelter and less on connecting people to permanent housing. Adding up the eligible uses below that likely went to shelter (operating subsidies, interim sheltering, new navigation centers and emergency, interim housing, operating subsidies – interim housing, shelter improvements, improvements of existing interim housing) the total obligated for shelter/interim housing is $744 million out $2.7 billion expended.

Eligible Use Breakdown of Funding for HHAP

Eligible Use	Obligated	Expended
Operating Subsidies	$498,036,209.38	$408,838,421.02
Interim Sheltering	$356,889,161.98	$251,660,410.04
Permanent Housing and Innovative Solutions	$325,852,487.65	$246,055,924.53
New Navigation Centers and Emergency	$219,633,839.46	$210,707,348.64
Rapid Rehousing	$231,747,343.80	$148,938,159.74
Street Outreach	$183,587,694.52	$121,453,097.53
Prevention and Diversion	$123,632,593.76	$99,314,495.58
Administrative Costs	$137,046,053.81	$79,147,044.98
Outreach and Coordination	$76,795,452.13	$74,260,430.64
Rental Assistance and Rapid Rehousing	$72,329,162.22	$70,604,742.64
Services Coordination	$95,839,574.28	$66,034,333.65
Delivery of Permanent Housing and Innovative Housing Solutions	$93,378,504.20	$49,501,324.93
Systems Support	$76,334,409.92	$38,418,471.83
Interim Housing	$76,689,758.04	$15,402,737.37
Strategic Planning and Infrastructure Development	$10,411,834.70	$9,494,330.01
Prevention and Shelter Diversion	$38,470,551.12	$8,954,189.12
Operating Subsidies - Interim Housing	$82,247,748.41	$6,442,623.51
Shelter Improvements	$8,563,523.05	$4,096,866.26
Landlord Incentives	$2,942,057.54	$2,669,269.37
Operating Subsidies -Permanent Housing	$3,744,503.72	$18,985.08
Additional 1% for HMIS	$928,004.19	$0.00
Improvements to Existing Interim Housing	$838,437.66	$0.00
Total	**$2,715,938,905.54**	**$1,912,013,206.47**



This Bill: This bill would require cities, counties, and CoCs to include in their Round 7 and future HHAP applications goals for what it would take to reach functional zero for homelessness over an eight year horizon. Functional zero is defined to mean a milestone indicating a community has measurably solved homelessness, when homelessness becomes rare and brief and people falling into homelessness are able to be rehoused quickly in housing without limits on length of stay or in permanent housing. This measure acknowledges that people fall in and out of homelessness so tying success to the goal of completely eliminating homelessness is not achievable. In addition, success is measured by moving people into permanent housing which requires communities to develop and invest in interim solutions and permanent housing and systems that re-house people through rapid rehousing or prevent homelessness.

Cities and counties applying for HHAP and future rounds would be required to agree to an MOU that lays out their respective responsibilities in addressing homelessness. The list of responsibilities highlights the need for cities and counties to work closely together to address homelessness. For interim housing/shelters, cities can site and maintain shelters but counties must show up at shelters to sign people up for mental health services, general assistance, social security, and Section 8 housing vouchers as well as other social services. Counties are also

responsible for administering the recently reimagined Behavioral Health Services Act (BHSA) which requires 30% of funds generated from Proposition 63, a 1% tax on millionaires, to go specifically toward housing interventions to permanently house people experiencing homelessness who have behavioral health or substance use challenges. This could include rental assistance, rental subsidies, and shared housing. CalAIM is also a tremendous resource that can pay the first six months of rent for people experiencing homelessness and provide housing navigators to find people housing, but those benefits are all administered by health care plans willing to cover those benefits. Counties would have the best relationship to those health plans, though they also have shared the concern that their ability to deliver those resources are tied to health plans' willingness to provide them. Homelessness is a complex problem to resolve because resources are administered by multiple parties – cities, counties and CoCs – though HHAP has been refined over the years to require a regional plan that identities local resources and how they can been braided together to solve homelessness. HHAP already requires cities and counties applying for funding to develop a joint regional application that is intended to bring them to the table together to figure out how to align their individual resources to get people housed, so in some ways this bill is duplicative of existing requirements, but it could force a more pointed conversation.

Arguments in Support: Based on the current version of the bill, New California Coalition writes in support, "While the state has spent billions on trying to reduce homelessness, it has not sufficiently prioritized clear goals to increase transitional housing and reach functional zero for street homelessness by a time certain. SB 16 sets a new course. One of the main problems is that there are not clear roles and lines of accountability in this space. Every level of government points the finger at the other ones, and the truth is that there is a great deal of blame to go around. SB 16 is an important first step in identifying what would be necessary to establish that structure and make necessary changes. SB 16 would require cities and counties to reach functional zero unsheltered homelessness by 2032. This would be a requirement of receiving Homeless Housing, Assistance, and Prevention Program (HHAPP) funding."

Arguments in Opposition: Based on the current version of the bill, Urban Counties of California and Rural County Representatives of California, write in opposition, "SB 16 continues to prioritize interim housing solutions to the detriment of permanent housing and the services/supports that keep people housed. SB 16 will make it more difficult to provide the needed social, health, and behavioral health services to homeless individuals, as well as make it more challenging to move these individuals into permanent housing. Counties are already facing pressures on behavioral health funding from recent changes to the Behavioral Health Services Act (BHSA) that require counties to redirect significant mental health service resources to address housing needs for homeless individuals with significant mental health and substance use disorder conditions. In addition, SB 16 proposes to expand the use of other fund sources, for purposes outside their current authorization, to pay for interim housing at a time when these resources are already oversubscribed."

Committee Amendments:

1) Delete the contents of the bill.

2) Add the following language:

SEC. 2. Section 50246 is added to the Health and Safety Code, to read:
50246. (a) For the purposes of this section, "functional zero" means a milestone indicating a community has measurably solved homelessness, when homelessness becomes rare and brief and people falling into homelessness are able to be rehoused quickly in housing without limits on length of stay or in permanent housing.
(b) To be eligible for a round 7 or subsequent base program allocation, an applicant shall identify annual goals for reaching functional zero over the next eight years in its jurisdiction. Nothing prohibits an applicant from setting goals to reach functional zero over a shorter period of time.
(c) Jurisdictions shall set specific annual goals for reductions in their unsheltered point in time count and include an explanation for how they will reduce their unsheltered population through permanent housing, in coordination with interim housing and outreach services.
(d) City and county applicants shall include sites identified for shelters in the housing element pursuant to Section 65583 of the Government Code.

SEC. 3. Section 50247 is added to the Health and Safety Code, to read:
50247. (a) Each county and city that submits an application for round 7 of the Homeless Housing, Assistance, and Prevention program shall sign a memorandum of understanding that meets the requirements of this section.
(b) The memorandum of understanding shall commit the participating jurisdiction, at a minimum, to the applicable of the following:
(1) An applicant that is a city shall be responsible for both of the following:
(A) (i) Siting, developing, and operating affordable housing, permanent supportive housing, and interim housing.
(ii) For any interim housing operated within its jurisdiction, all of the following:
(I) Maintenance.
(II) Security.
(III) Utilities.
(IV) Meals.
(2) An applicant that is a county shall be responsible for both of the following:
(A) (i) Siting, developing, and operating affordable housing, permanent supportive housing, and interim housing within the unincorporated areas of the county.
(ii) For any interim housing operated within its jurisdiction, all of the following:
(I) Health and social safety net programs.
(II) Assistance with enrollment in public benefit programs.
(III) Specialty mental health and substance use disorder services.
(IV) Case management.
(c) Smaller jurisdictions in the region may also sign the memorandum of understanding and commit to participation in, and compliance with, the requirements of subdivision (b). Counties are encouraged to allocate resources from program funding to smaller jurisdictions that participate in, and commit to complying with, the requirements of subdivision (b).

Double-referred: This bill was also referred to the Assembly Committee on Local Government where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support (Based on the current version of the bill)

New California Coalition (Sponsor)
21st Century Alliance
Carlsbad Chamber of Commerce
San Juan Capistrano Chamber of Commerce

Opposition (Based on the current version of the bill)

ACLU California Action
Bonnewit Development Services
Brilliant Corners
Buccola Family Homeless Advocacy Clinic
California Housing Partnership
California Rural Legal Assistance Foundation
Cd11 Coalition for Human Rights
City of Cypress
City of Stanton
Corporation for Supportive Housing
County of Santa Clara
Destination: Home
Disability Rights California
Disability Rights Education & Defense Fund
Downtown Women's Center
Florence Aliese Advancement Network, LLC
Historic Skid Row Community Cleanup Tour
Homeless Garden Project
Housing California
Housing Is a Human Right - Orange County
Human Rights Watch
Initiate Justice Action
Juice Sacramento
LA Forward
League of California Cities
Mar Vista Voice
MLK Coalition of Greater Los Angeles
National Alliance to End Homelessness
National Homelessness Law Center
Neighborhood Organizing Circle
NoHo Home Alliance
Non Profit Housing Association of Northern California
Northern California Land Trust
Path
PawReach
Practical Strategies LLC

Public Advocates
Public Interest Law Project
Rural County Representatives of California (RCRC)
Sacramento Homeless Union
Sacramento Housing Alliance
Sacramento Loaves & Fishes
Sacramento Regional Coalition to End Homelessness
Santa Cruz Fulltimers
Silicon Valley De-bug
Southern California Association of Non-profit Housing (SCANPH)
The Bride's Chamber
The Sotelo Group
Topanga Peace Alliance
Urban Counties of California (UCC)
Venice Justice Committee
Western Center on Law & Poverty
Western Regional Advocacy Project
Women's Empowerment

Individuals (24)

Oppose Unless Amended (Based on the current version of the bill)

City of Lake Forest
City of Thousand Oaks

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