Date of Hearing: July 16, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Matt Haney, Chair
SB 802 (Ashby) – As Amended June 23, 2025

SENATE VOTE: Not relevant

SUBJECT: Housing finance and development: Sacramento Area Housing and Homelessness Agency: Multifamily Housing Program: Homekey: Homeless Housing, Assistance, and Prevention program

SUMMARY: Restructures, expands, and amends the Sacramento Housing and Redevelopment Agency (SHRA) and renames it to the Sacramento Housing and Homelessness Agency (SHHA). Moves the Sacramento Continuum of Care to the new SHHA, moves all homelessness funding from the federal and state government that would go to the impacted cities and county to SHHA, transfers fees collected by the County of Sacramento and specified cities in Sacramento County to SHHA, and changes the process for distributing the Regional Housing Needs Allocation (RHNA) in the county. Specifically, **this bill**:

1) Includes the following definitions:

    a) "Agency" means the SHRA;

    b) "Governing board" means the governing board of SHRA;

    c) "Qualified local agency" means any city within the County of Sacramento that has a population of at least 50,000, based on the most recent federal decennial census or a subsequent estimate prepared by the Demographic Research Unit of the Department of Finance (DOF); and

    d) "Qualified local agency" includes, but is not limited to, the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento.

2) Restructures, expands, and amends the SHRA.

3) Renames the SHRA as the Sacramento Housing and Homelessness Agency (SHHA).

4) Makes Legislative findings and declarations that the purpose of restructuring SHRA is to modernize and expand the agency's scope and governance to address regional housing and homelessness needs while preserving the agency's legal status, contracts, funding eligibility, and programmatic history.

5) Provides that SHHA shall serve as the regional authority to do all of the following:

    a) Develop and preserve affordable housing;

    b) Coordinate and administer homelessness prevention and response services including the Coordinated Entry System;

    c) Serve as the federally-designated Continuum of Care (CoC);

d) Apply for, receive, and administer federal, state, and local funding for housing and homelessness; and

e) Manage and implement a comprehensive strategic plan to address and reduce homelessness in the County of Sacramento.

6) Establishes the following governing board composition for SHHA:

a) At least one elected official from each qualified local agency that is party to the joint powers agreement (JPA) with full delegated powers and duties transferred from the city and county;

b) The initial board shall consist of 11 members appointed by the legislative bodies of the County of Sacramento and each of the qualified local agencies as follows:

i) Three members appointed by the City Council of the City of Sacramento;

ii) Three members appointed by the Board of Supervisors of the County of Sacramento;

iii) Two members appointed by the City Council of the City of Elk Grove; and

iv) One member appointed by each of the following City Councils: Citrus Heights, Folsom, and Rancho Cordova.

7) Provides that the board of SHHA may increase the number of members if a qualified local agency enters into the agreement to join the JPA. The qualified local agency shall be entitled to make one appointment to the board.

8) Sets out a process for the governing board to select alternative members in the case a member is not available.

9) Provides that the initial Executive Director of SHHA shall be the current Executive Director of SHRA and requires the governing board to establish a process for removing and replacing the Executive Director.

10) Sets out the requirements for the bylaws of SHHA, including timing of meetings, ethics rules, and voting rights.

11) Requires the Sacramento Local Agency Formation Commission (LAFCO) to form an independent task force as follows:

a) Staff of existing entities cannot be appointed to the task force;

b) The task force shall consolidate all entities for purposes of establishing the SHHA; and

c) The task force shall dissolve 60 days after the establishment of the governing board of SHHA.

12) Requires SHHA to adopt a comprehensive strategic plan to address housing and homelessness no later than three years from the date the restructured agreement takes effect.

13) Provides that SHRA shall retain its legal identity and shall continue to administer all existing housing, homelessness, and redevelopment programs. Prohibits the creation of an agency that negates the duties of SHRA.

14) Requires SHHA to assume or continue responsibility for the administration, oversight, and compliance with all regulations and requirements of programs for all participating agencies in the JPA, including but not limited to all of the following:

    a) Section 8 Housing Choice Voucher (HCV) Program;

    b) United States Department of Housing and Urban Development (HUD) Veterans Affairs Supportive Housing;

    c) Public housing;

    d) Community Development Block Grant Program (CDBG);

    e) HOME Investment Partnerships Program (HOME);

    f) Emergency Solutions Grants (ESG);

    g) CoC Program;

    h) Housing Opportunities for Persons With AIDS Program (HOPA);

    i) State homelessness programs;

    j) Homeless Housing, Assistance, and Prevention (HHAP) program;

    k) Homekey program;

    l) Coordinated Entry System (CES); and

    m) CoC governance, data, and performance standards mandated by HUD (HMIS).

15) Requires SHHA to comply with civil rights laws, including the federal Fair Housing Act, the mandate to affirmatively further fair housing, the Federal Americans with Disabilities Act of 1990, and Title VI of the federal Civil Rights Act of 1964.

16) Provides that SHHA shall be the designated recipient of all local housing trust funds and local housing ordinance fees collected by each participating entity within the JPA, including but not limited to the affordable housing ordinance fee collected by the County of Sacramento and the mixed income housing ordinance fee collected by the City of Sacramento.

17) Requires the Regional Housing Needs Allocation (RHNA) for all participating entities with the JPA to be consolidated into a single regional goal to be administered by SHHA. Provides that the total RHNA shall be reduced by 20% from the aggregate of the allocations that would otherwise apply to the participating entities individually.

18) Provides that SHHA shall be deemed a regional entity for the purposes of statewide housing and homelessness funding programs and shall be granted priority consideration for all applicable state housing and homelessness funding sources.

19) Provides that all housing tax increment revenues from former redevelopment areas and allocated to participating cities or to the County of Sacramento shall be transferred to SHHA. Requires these revenues to be used exclusively for the development, preservation, and administration of affordable housing projects. Allows SHHA to issue bonds secured by these revenues to finance current and future housing initiatives.

20) Requires SHHA to coordinate its operations with the housing and homelessness departments of each participating jurisdiction to ensure alignment of local priorities and effective delivery of services, including but not limited to the following:

    a) The Department of Homeless Services and Housing of the County of Sacramento;

    b) The Department of Community Response of the City of Sacramento;

    c) The Housing Division of the City of Elk Grove;

    d) The Housing Division of the City of Rancho Cordova; and

    e) The Housing and Grants Division of the City of Citrus Heights.

21) Requires SHHA to establish and maintain a standing advisory board to ensure compliance with federal and state requirements for public participation in housing authority and CoC governance.

22) Sets out requirements for the advisory board, including that the membership include the following:

    a) At least one individual currently or formerly experiencing homelessness;

    b) At least one individual who is a current resident of public housing or low-income housing;

    c) Representatives from community-based organizations, service providers, and housing developers; and

    d) Experts in behavioral health, public housing, and program implementation.

23) Requires the advisory board to do all of the following:

    a) Meet at least quarterly in publicly noticed meetings;

    b) Provide recommendations on funding, programs, planning, and performance;

    c) Fulfill HUD and state consultation requirements for funding and compliance, and

d) Assist in development of the agency's strategic plan and annual updates

24) Requires HCD, for future rounds of HHAP, Multi-family Housing Program (MHP), and Homekey funding, to give consideration to the following populations:

a) Foster youth;

b) Homeless persons; and

c) Extremely low-income households, very-low-income households, and lower-income households who need safe and stable housing and are experiencing traumatic homelessness, street violence, domestic violence and abuse, sexual abuse and assault, or human trafficking.

EXISTING LAW:

1) Defines the composition of a CoC to mean the group organized to carry out the responsibilities of the McKinney-Vento Homeless Assistance Act composed of representatives of organizations, including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formerly homeless persons to the extent these groups are represented within the geographic area and are available to participate. (24 Code of Federal Regulations (CFR) § 578.3 CoC Definition)

2) Requires the CoC to establish a board to act on behalf of the CoC through an adopted and written process. The process must be reviewed, updated, and approved by the Continuum at least once every five years. (24 CFR § 578.3 CoC Definition)

3) Requires a CoC board to include representatives of the relevant organizations and of projects serving homeless subpopulations and to include at least one homeless or formerly homeless individual. (24 CFR § 578.3 CoC Definition)

4) Defines a collaborative applicant to mean the eligible applicant that has been designated by the CoC to apply for a grant for CoC planning funds under this part on behalf of the Continuum. (24 CFR § 578.3 CoC Definition)

5) Establishes the responsibilities of the CoC, including the following:

a) Adopt and follow a written process to select a board to act on behalf of the CoC and requires the process to be reviewed, updated, and approved by the CoC at least once every five years;

b) In consultation with the collaborative applicant and the Homelessness Management Information System (HMIS) Lead, develop, follow, and update annually a governance charter, which will include all procedures and policies needed to comply with federal requirements and with HMIS requirements as prescribed by HUD;

c) Hold meetings of the full membership, with published agendas, at least semi-annually;

d) Make an invitation for new members to join publicly available within the geography of the CoC at least annually; and

e) Appoint additional committees, subcommittees, or workgroups. (24 CFR § 578.7 CoC Definition)

6) Federal law, Section 8 of the United States Housing Act of 1937, and federal regulations, Part 982 of Chapter IX of Subtitle B of Title 24 of the CFR, establish the HCV Program and enact rules and regulations governing the operation of the program. (24 CFR § 982)

7) Creates in each county and city a public body known as the housing authority of the county or city and grants certain powers to those authorities. (Health and Safety Code Section 34240 *et seq*.)

8) Provides that each community's fair share of housing be determined through the RHNA process. Sets out the process as follows: (a) DOF and the Department of Housing and Community Development (HCD) develop regional housing needs determination estimates or RHNDs; (b) Councils of Governments (COGs) allocate housing via RHNA within each region based on these determinations, and where a COG does not exist, HCD conducts the allocations; and (c) cities and counties incorporate these allocations into their housing elements. (Government Code (GOV) 65584 and 65584.01)

9) Allows two or more cities and a county or counties to form a subregional entity for the purpose of allocating the subregion's RHNA among its members in accordance with a RHNA allocation methodology at least 28 months prior to the region's scheduled housing element update. Provides that the purpose of establishing a subregion is to recognize a community of interest and mutual challenges and opportunities for providing housing within a subregion. Allows a subregion formed under this provision to include a single county and each of the cities in that county or any other combination of geographically contiguous local government and requires the formation to be approved by the adoption of a resolution by each of the local governments in the subregion as well as the COG. (GOV 65584.03)

FISCAL EFFECT: Unknown.

COMMENTS:

Author Statement: According to the author, "SB 802 addresses two key issues: California faces a severe shortage of shelters that serve the unique needs of women experiencing homelessness. Despite the fact that one in five women in California become homeless to escape intimate partner violence, with more than 40% continuing to face abuse after losing housing, state law does not designate funding specifically for women-only shelters or services tailored to women. Most homeless shelters, transitional housing programs, and permanent supportive housing in California are co-ed, and women are not treated as a protected class in the homelessness response system. As a result, services often fail to account for the distinct and compounding vulnerabilities women face.

In addition, this bill addresses Sacramento County's housing and homeless system. Sacramento County's housing and homelessness systems currently operate through multiple entities with limited coordination, making it difficult to deliver services efficiently and equitably across the region. The Sacramento Housing and Redevelopment Agency (SHRA), established in 1973,

serves only the City and County of Sacramento, while regional homelessness planning is led by a nonprofit Continuum of Care (CoC) that lacks formal authority over local jurisdictions. As a result, cities such as Elk Grove, Folsom, Citrus Heights, and Rancho Cordova have limited representation in key planning and funding decisions. A 2023 Sacramento County Grand Jury report emphasized the need for stronger regional alignment and named the creation of a Joint Powers Authority (JPA) as its top recommendation to improve coordination, accountability, and outcomes. Without a unified governance structure, jurisdictions often pursue separate approaches, leading to duplicated efforts and missed opportunities for more impactful, collaborative solutions."

SHRA: SHRA is a JPA of the City and County of Sacramento, formed in 1973. It was originally formed to combine the Housing Authorities for both the city and county of Sacramento and became the redevelopment agency for the city and county before redevelopment agencies were dissolved. It serves as the successor agency to the redevelopment agency and is responsible for winding down the activities of redevelopment, including paying down any obligations of the redevelopment agency. SHRA owns and manages thousands of residential units in the county, develops new housing, and administers federal housing choice vouchers. SHRA has a seat on the Sacramento's CoC – Sacramento Steps Forward. Records indicated that the city and county have not met as a full joint board of the SHRA in eight years. The city's housing authority meets on city decisions, while the county housing authority meets on county matters. A separate Sacramento Housing Commission with delegated approvals from both the city and county make decisions so they do not have to go back to the board of supervisors or city council.

Sacramento Steps Forward (SSF)*:* SSF is Sacramento County's CoC. The CoC is a federally created entity that is responsible for administering federal funding to address homelessness, collect data that is inputted into the HMIS, and managing the Coordinated Entry System (CES). HMIS is a shared localized database used by organizations that provide services to people who are homeless or at risk of becoming homeless. As the local HMIS lead, SSF manages the database for Sacramento and Yolo Counties, granting access to the system, maintaining data quality, and providing regular reports to HUD. The use of an HMIS is mandated by Congress for any CoCs who receive federal funding to address homelessness in their communities. Access to HMIS is strictly monitored, requiring background checks and security measures to protect the confidential client data stored in the system. One of the main functions of the HMIS is to connect community agencies with one another, allowing direct service staff to know more about what is happening with their clients and where else they are obtaining services. SSF also manages the CES. Coordinated Entry is a CoC-established system-wide process to quickly and equitably coordinate the access, assessment, prioritization and referrals to housing and services for people experiencing or at imminent risk of homelessness.

CoCs are federally created entities subject to federal regulations. Federal regulations require a CoC to have two-tiered governance structure – a CoC board and a CoC membership. The board is responsible for day-to-day operations. HUD does not dictate the board membership except it must be representative of the community and have at least one person with lived experience of homelessness. SSF has over 30 members including the County of Sacramento, Cities of Sacramento, Elk Grove, Rancho Cordova, and Citrus Heights, and multiple other local service providers. SSF does not have a board but has been working with a technical advisor since January to address this issue. It is unclear why SSF does not have a board but the CoC membership must vote on the board members. The membership must vote every five years to elect the board. The makeup of the membership and the board are key to the CoCs

competitiveness for federal funding. Despite not having a board, SSF has increased its funding this past year, which is a sign that it is competing well. Federal funding is tied to how the CoC board and membership are structured, meaning decisions regarding board makeup will impact the competiveness of the community for funding. This bill would move the CoC to the SHHA without a vote of the CoC and would appear to make the board of the SHHA the board of the CoC. This would violate federal regulations and make the CoC ineligible for federal funding under the McKinney-Vento Act. The committee may wish to consider if this bill should instead require the CoC Board, once it is created, to vote to be moved to SHHA.

RHNA: 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 eight-year planning cycle. The state is currently in the sixth housing element cycle. The regional housing needs designation 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 six 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). This bill would consolidate the RHNA for Sacramento County into one single regional goal and have SHHA allocate it to cities in the county. The total RHNA would be reduced by 20% from the aggregate of the allocation that would otherwise apply to the participating entities individually. The committee may wish to remove this provision as it undermines a multi-year effort by the Legislature to reform the RHNA process to make it more equitable and affirmatively further fair housing, fails to account for the ongoing work of the region's current COG (the Sacramento Area Council of Governments), and is unnecessary as there already exists a process by which various contiguous cities or counties within a COG can choose to form a subregional entity to sub-allocate the RHNA in those jurisdictions.

Local Housing Trust Funds: Cities and counties create local housing trust funds to collect funding to support the construction of affordable housing. If a city has an inclusionary housing ordinance that requires developments to either include a percentage of affordable housing on site or pay an in-lieu fee, those fees are deposited into the local housing trust fund and invested in future affordable housing developments. Cities can also pass local fees with a majority vote to fund housing and homelessness. This bill would require all funds in local housing trust funds to be transferred to the SHHA to administer. Redirecting fees generated in individual cities and spending those funds in other parts of the county could raise Proposition 26 issues and the requirement for a majority vote to collect fees. The committee may wish to require that if housing trust fund dollars are moved to a regional entity, they are still spent in the city that generated the funding.

Having a single entity that administers funds regionally could be beneficial. A single entity could create a common application and award process that would be easier for developers to navigate. SHRA also controls the housing choice vouchers for the county which can be "project-based," meaning they subsidize the units in a developments, not the individual – these are a major resource needed to fund affordable housing. A regional entity could identify how many affordable units are needed across the region, including how many are needed specifically for people experiencing homelessness, and coordinate vouchers to those areas.

State and Federal Funding Grab: This bill would have SHHA assume or continue responsibility for the administration and oversight of a list of programs for all participating entities in the joint powers agreement. The list includes federal and state funding programs that fund affordable housing and homelessness programs that currently go directly to the cities and the county impacted by the bill.

The Federal government provides funding to local communities through the CDBG and HOME programs. CDBG provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. Cities can choose to receive these funds directly as an entitlement or have HCD administer the funds as non-entitlement jurisdictions. Funding for unincorporated areas are administered by SHRA. All of the cities in the county impacted by this bill receive direct entitlements of CDBG.

This bill would also direct "all state homelessness program funding" to SHHA. Although the bill specifies some programs – like HHAP, which SSF, the City of Sacramento, and the County all currently can apply for, and HomeKey which is a competitive program – there are other programs the state administers through counties. These include the Bringing Families Home Program and CalWORKs Housing Support Program, which the Department of Social Services (DSS) administers as grants to counties. All of these funds could be swept into this new agency. This could create challenges in complying with the program requirements. The CalWORKs Housing Support Program provides rental assistance to CalWORKs recipients and CalWORKs is administered by the county. Bringing Families Homes provides rental assistance to families who have been able to reunite with a child in foster care, except they cannot secure affordable housing. The county administers the foster care system.

As previously discussed, this bill would also move the CoC to the new entity, including the function of managing the CES and the HMIS system – these are the core functions of the CoC as the designated Lead Agency. Federal regulations require the CoC membership to vote to designate the lead agency.

Why is it hard to solve homelessness? Homelessness is the top issue among voters and one of the hardest policy issues to address. In most communities, the resources needed to solve homelessness – the homeless response system – are siloed among three major parties – cities, counties, and CoCs. Cities tend to be home to more people experiencing homelessness because people have easier access to amenities and resources. Yet, cities do not control much of the funding that is needed to get people into housing, including vouchers, mental health services, and connections to health care. Cities have land use authority and can site more housing, particularly affordable housing and permanent supportive housing, but they still have to seek help from their county to get project-based vouchers and funding for wrap-around services for people living in supportive housing that need extra help to stay housed. Counties have funding for mental health services through the Behavioral Health Services Act – recent legislation requires that 30% of those funds go to support people accessing and maintain housing through rental assistance and other supports. CoCs have funding to address homelessness and maintain the CES which matches people experiencing homelessness with services and hopefully a permanent housing unit. While the CoC is responsible for collecting and maintaining the data around homelessness and is the entry point for many people experiencing homelessness into services and connecting to housing, they lack any ability to direct County, SHRA, or city resources. SHRA, the City of

Rancho Cordova, the City of Elk Grove, the City of Citrus Heights, the City of Sacramento, and Sacramento County currently sit on the CoC. This entire system lacks adequate resources to house the people who are currently homeless and the resources to help people who are falling into homelessness to stay housed.

Sacramento is not unique in its inability to figure out a structure that resolves all of these challenges and aligns resources. Los Angeles County and the City of Los Angeles have a JPA but are in the process of dissolving that entity to create a new structure. Communities around the state are struggling to figure out how to coordinate resources.

The state has provided funds through HHAP program over the last seven years to help big cities, counties, and CoCs respond to homelessness, with a focus on unsheltered homelessness, but this funding is inadequate to resolve the problem. HHAP has evolved over the last few years to push applicants to develop a coordinated strategy to address homelessness. HHAP requires applicants – CoCs, big cities – and counties - to develop a Regional Plan to address homelessness. SSF developed the plan and though all of the cities within the county participated, none of the cities not receiving funding from HHAP brought the plan before their City Councils to be ratified.

Other options? A 2022-23 Sacramento County Grand Jury Report lays out past efforts to create a coordinated response to homelessness in the county. In December 2019, the County Board of Supervisors and Sacramento City Council passed resolutions to form a JPA intended to resolve homelessness, but no JPA was established. In 2011, the Board of Supervisors and Sacramento City Council passed a resolution endorsing SSF as the Lead Agency to monitor and coordinate homelessness in the county. In November 2022, Sacramento County voters passed Measure O to require the city and county of Sacramento to approve a legally binding partnership agreement to improve the homelessness crisis. The Grand Jury Report laid out the challenges of addressing homelessness through the siloed system in Sacramento and recommended the creation of a JPA governed by elected officials in the county.

In December 2023, a consulting firm commissioned by SSF and the county identified ways to better align and engage local partners and researched national governance models to develop a report that includes local and national landscape assessments and provides options for alternative organizational approaches to shared governance. The consultants provided several options, based on models that have worked in other communities, which will help to inform what the county presents to the BOS in August. These include:

> *"Collective Impact Model – A revision of the current structure to advance regional goals by establishing an overarching and revised Partnership Agreement to redefine roles and restructure board under a revised collective impact framework with SSF functioning as the backbone agency.*
>
> *Regional Governance – This redefines the governance structure under a JPA which designates a distinct entity the JPA responsible for acting as a single representative for ending homelessness in the region. The JPA defines the scope of the JPA and the roles and authority. The JPA can be developed as a new, independent entity or within an existing government body."*

In October there is a planned meeting of all the county supervisors and the mayors of all of the cities in the county for a discussion of homelessness. This bill appears to disrupt this local shared governance evaluation process in favor of state-level intervention.

Joint Exercise of Powers Act: Joint powers are exercised when public officials of two or more agencies agree to establish a joint approach or create another legal entity to work on a common problem, fund a project, or act as a representative body for a specific activity. All manner of federal, state and local public agencies can agree to exercise joint powers. A California agency can even share joint powers with an agency in another state. The common thread is that a confederation of governments work together and share resources for mutual support or common actions. The government agencies that participate in joint powers are called member agencies, and a JPA can only exercise powers that each member agency independently possesses.

A joint powers agreement is a formal, legal agreement between two or more public agencies that wish to exercise joint powers. Some joint powers agreements are administered by one of the participating agencies. Others are administered by a new, legally independent government entity (called a joint powers agency or a joint powers authority – both referred to as a JPA) that the member agencies create. The new entity need not even call itself a JPA. JPAs are not special districts, although such agencies can enter into joint powers agreements.

As tools for collaboration, JPAs are used for a variety of purposes. By sharing resources and combining services, the member agencies – and their taxpayers – save time and money. There are no official categories for the types of JPAs, but their services generally fall into five broad groups: general public services, financial services, insurance pooling and purchasing discounts, planning services, and regulatory enforcement.

Public agencies authorized to enter into joint powers agreements include "the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority…"

Given JPA's inherent design as voluntary agreements among participating agencies, and the existence of JPA law that already authorizes interested agencies to create JPAs, the Legislature has not generally authorized or required the creation or alteration of specific JPAs. However, in recent years, the Legislature has reviewed and/or approved the creation of JPAs for specific purposes, some to address the ongoing housing crisis in the state. For example:

AB 2593 (McCarty) of 2024 would have authorized a local agency within the County of Sacramento to enter into a joint powers agreement with any other local agency to operate a joint powers authority to assist people experiencing homelessness. AB 2593 died on the Senate inactive file. AB 1086 (McCarty) of 2023 was similar to AB 2593. AB 1086 was referred to Assembly Local Government Committee but never heard.

SB 20 (Rubio), Chapter 147, Statutes of 2023, allowed all local agencies to create regional housing trusts to fund housing to assist people experiencing homelessness and persons and families of extremely low-, very low-, and low-income within their jurisdictions.

SB 1177 (Portantino), Chapter 173, Statutes of 2022, authorized the creation of the Burbank-Glendale-Pasadena Regional Housing Trust; SB 1444 (Allen), Chapter 672, Statutes of 2022, authorized the creation of the South Bay Regional Housing Trust; AB 687 (Seyarto), Chapter 120, Statutes of 2021, authorized the creation of the Western Riverside County Housing Finance Trust.; SB 751 (Rubio), Chapter 670, Statutes of 2019, authorized local agencies within the San Gabriel Valley Council of Governments to enter into a JPA to fund housing; and, AB 448 (Daly), Chapter 336, Statutes of 2018, authorized the creation of the Orange County Housing Finance Trust.

Finally, SB 1403 (Maienschein), Chapter 188, Statutes of 2015, allowed one or more private, non-profit 501(c)(3) corporations that provide services to homeless persons to form a JPA, or enter into a joint powers agreement, with one or more public agencies to encourage and ease information sharing between public agencies and nonprofit corporations to identify the most costly and frequent users of publicly-funded emergency services, provide frequent user coordinated care housing services, and prevent homelessness.

Notably, all of the aforementioned bills authorized – but did not require – the creation of a JPA to address housing or homelessness needs.

State Authorized Regional Entities: In 2019, AB 1487 (Chiu, Chapter 598), created a new regional option to address the lack of affordable housing in the San Francisco Bay Area. Specifically, that bill provided the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) – acting as the Bay Area Housing Finance Agency (BAHFA) – with new tools to raise billions of dollars to fund the production, preservation, and protection of affordable housing. That bill was formulated in partnership with the Bay Area's local elected leaders and other regional leaders and set forth the governing structure and powers of the board, allowable financing activities, and allowable uses of the revenues generated. Its purpose was to raise, administer, and allocate funding and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production.

In 2022, the Legislature authorized the County of Los Angeles to establish the Los Angeles County Affordable Housing Solutions Agency (LACAHSA) through the passage of SB 679 (Kamlager, Chapter 661). That bill, similar to AB 1487, authorized LACAHSA to utilize specified local financing tools (taxes and bonds) to fund renter protections and the preservation and production of housing affordable to households earning up to 80% of area median income.

In 2024, in an effort to create a roadmap for other communities to create regional housing entities without having to come to the Legislature, SB 440 (Skinner), Chapter 767 empowered communities to address their own affordable and missing middle housing shortages by allowing regions to create finance agencies that can fund the construction and preservation of affordable housing. SB 440 allowed two or more local governments to establish an Authority for purposes of raising, administering, and allocating funding and providing technical assistance at a regional level for affordable housing development. The Authority is granted specific powers, and the bill established a governance structure and imposed reporting and auditing requirements. It also spelled out the specific types of funding streams that may be collected, and that they may be used for affordable housing development and preservation, and infrastructure necessary for those developments. While SB 440 was modeled on BAHFA and LACAHSA, that bill granted new Authorities additional powers not bestowed on those existing entities. These Authorities, in

addition to the ability to managing existing buildings, could hold and acquire existing buildings for purposes of attaching affordability requirements. For any property acquired, these Authorities, unlike BAHFA and LACAHSA, will have the power to set the land use and development parameters for such property, including setting the request for proposal criteria and selection process for a development partner. Lastly, these Authorities are focused on the preservation and construction of housing. BAHFA and LACAHSA also authorized funds to be used for renter protections and renter supports.

The SB 440 Authority model is now available should other communities, such as Sacramento, wish to form or consolidate regional efforts to address affordable housing needs in their communities. The difference between these entities and what is proposed in this bill is these proposals were initiated through a collaborative process at the local level. In addition, the regional entities that the Legislature created through statute are being organized locally to generate new funding rather than redirecting existing funding.

Redevelopment: Article XVI, Section 16 of the California Constitution authorizes the Legislature to provide for the formation of RDAs to eliminate blight in an area by means of a self-financing schedule that pays for the redevelopment project with tax increment derived from any increase in the assessed value of property within the redevelopment project area (or tax increment). Generally, property tax increment financing involves a local government forming a tax increment financing district to issue bonds and use the bond proceeds to pay project costs within the boundaries of a specified project area. To repay the bonds, the district captures increased property tax revenues that are generated when projects financed by the bonds increase assessed property values within the project area.

To calculate the increased property tax revenues captured by the district, the amount of property tax revenues received by any local government participating in the district is “frozen” at the amount it received from property within a project area prior to the project area’s formation. In future years, as the project area's assessed valuation grows above the frozen base, the resulting additional property tax revenues — the so-called property tax “increment” revenues — flow to the tax increment financing district instead of other local governments. After the bonds have been fully repaid using the incremental property tax revenues, the district is dissolved, ending the diversion of tax increment revenues from participating local governments.

Prior to Proposition 13, very few RDAs existed; however, after its passage, RDAs became a source of funding for a variety of local infrastructure activities. At the time RDAs were dissolved, the Controller estimated that statewide, RDAs were obligated to spend $1 billion on affordable housing each year. At the time of dissolution, over 400 RDAs statewide were diverting 12% of property taxes, over $5.6 billion yearly.

RDAs were required to dedicate 20% of the tax increment to be used to increase, improve, and preserve the community’s supply of low- and moderate-income housing available at an affordable housing cost. When RDAs were dissolved, successor agencies were established to wind down the RDAs' obligations. Successor agencies were required to effectuate the transfer of an RDA's housing functions and assets to a "housing successor." Cities and counties were given the option of acting as housing successors and taking over the housing assets of their jurisdiction's RDA. If they did not wish to take on this role, the local housing authority was required to act as housing successor. If there was no local housing authority, HCD was required

to act as housing successor.

In 2011, facing a severe budget shortfall, the Governor proposed eliminating RDAs in order to deliver more property taxes to other local agencies. Ultimately, the Legislature approved and the Governor signed two measures, ABX1 26 (Blumenfield), Chapter 5 and ABX1 27 (Blumenfield), Chapter 6 that together dissolved RDAs as they existed at the time and created a voluntary redevelopment program on a smaller scale. In response, the California Redevelopment Association (CRA) and the League of California Cities, along with other parties, filed suit challenging the two measures. The Supreme Court denied the petition for peremptory writ of mandate with respect to ABX1 26. However, the Court did grant CRA's petition with respect to ABX1 27. As a result, all RDAs were required to dissolve as of February 1, 2012.

Housing successors are required to maintain any funds generated from housing assets and use them in accordance with the housing related provisions of the Community Redevelopment Law (CRL). This includes real property and other physical assets, funds encumbered for enforceable obligations, any loan or grant receivable, any funds received from rents or operation of properties, rents or other payments from housing tenants or operators, and repayment of loans or deferrals owed. Funding available to a housing successor in the post-redevelopment world is limited to program dollars repaid from loans or investments made by the former RDA. This is a much smaller amount than was generated by RDAs, which produced more than $1 billion in tax increment for housing. SB 341 (DeSaulnier), Chapter 796, Statutes of 2014, revised the rules governing the activities and expenditures of housing successors. RDAs were required to expend funds to improve, increase, or preserve housing affordable to low- and moderate-income families. Housing successors have far less money than RDAs, so the law generally requires them to prioritize that limited funding toward monitoring and maintaining the housing assets that were created or financed by the former RDA.

Generally, former RDA tax increment primarily is used for paying off approved enforceable obligations like bonds and loans. Some agencies have completed payments on these obligations, while others will be making payments for many years to come. As the enforceable obligations decrease, the leftover property tax increment is then allocated to the agencies in which it derives from, including schools and special districts. Housing successors are required to maintain any funds generated from housing assets and use them in accordance with the housing related provisions of RDA law. These assets could include funds encumbered for enforceable obligations. The committee may wish to consider delete the transfer of any tax increment to SHHA to avoid any issue with undermining RDA dissolution law.

Arguments in Support: Several members of the Sacramento City Council submitted letters in support of this bill, including Councilmembers Caity Maple and Mai Vang. Councilmember Maple writes, “Sacramento is one of the most impacted cities in California when it comes to both homelessness and rising housing costs. The 2024 Point-in-Time Count shows that more than 6,600 people remain unhoused in our county. In my district, I meet families, seniors, and young people sleeping outside without access to basic shelter or services. This is not due to a lack of will or resources, but because our response remains fragmented and uncoordinated across jurisdictions. SB 802 would create a regional public agency focused on housing and homelessness that can coordinate across systems to meet the needs of our most vulnerable neighbors. It would allow jurisdictions to pool resources, reduce duplication, and use economies of scale to build the shelter and housing capacity our region desperately needs. A 2023 Sacramento County Grand Jury identified this lack of coordination as our most pressing

challenge and made the creation of a Joint Powers Authority its top recommendation. SB 802 answers that call."

Councilmember Mai Vang writes, "In District 8, we have long recognized that addressing homelessness requires collective responsibility and regional alignment. Since 2020, our district has been home to the Meadowview Navigation Center – a dedicated women's shelter that has provided safety, stability, and pathways to short-term and long-term housing for unhoused women. SB 802 has the potential to not only strengthen centers like this, but also expand access to services for individuals who are often left behind in outreach efforts due to existing gaps between systems. While our city and partners remain deeply committed to addressing homelessness, we know that a more regional approach is essential. A streamlined framework would allow jurisdictions to better coordinate care, align resources, and develop long-term strategies that truly center our most vulnerable residents. Homelessness knows no boundaries, and this effort is ultimately about people. It's about ensuring every individual has the opportunity to access stable housing and services. It's about public health, community well-being, and doing what we can—together—to support our most vulnerable neighbors. Sacramento deserves a housing and homelessness response that works collectively, with shared goals and shared success. SB 802 is a meaningful step towards that vison."

Arguments in Opposition: Mayors from all of the cities impacted by this bill, the Board of Supervisors, and City of Sacramento Mayor Kevin McCarty write in opposition of this bill. They state, "The County values partnerships, collaboration, and shared responsibility as evidenced by our success in addressing the needs of the unhoused in our region. In just the last two years, Sacramento County blended State funding and a variety of local and federal funding sources to:

- Successfully launch three Safe Stay Shelter Communities adding 356 new beds that include intensive, wrap around behavioral health services in non-congregate setting. An additional site that will include 225 beds is currently under construction, to open early 2026.

- Expand outreach in the unincorporated County and along the Parkway from a team of 3.5 staff to 23 contracted staff along with County social workers and County behavioral health clinicians and peers who provide proactive encampment response, respond to crisis calls alongside law enforcement and offer an 'office hour' approach to outreach to serve the suburban parts of the County.

- Lead the development and expansion of rehousing programs, providing one-time housing funds and on-going rental subsidies to both prevent families from becoming homeless and quickly re-housing them. We are currently working with all four Managed Care Plans to support implementation of a 'Flex Housing Pool' to integrate Medi-Cal transitional rent benefits into these programs and creating a consolidated landlord network.

SB 802 disrupts this good work that is on an upward trajectory to giving our very cared-for community members a strong foundation to succeed. As mentioned in our meeting with Senator Ashby on May 22, 2025, the County is also working on the best governance model for our region, which is scheduled for a public hearing in August so that all voices can be heard and considered. In the spirit of partnership and collaboration, we ask that the Senator reconsider her proposal by working with the jurisdictions who take care of the community members on the streets, face-to-face, day and night."

Committee Amendments: The author submitted amendments to the committee to address several issues raised in the analysis. Staff recommends the committee accept these amendments as committee amendments. Due to timing, these amendments will be taken in the Assembly Local Government Committee. The amendments would:

1) Specify that the governing board shall create a plan to ensure equitable distribution of funding and resources across all participating jurisdictions.

   (B) The governing board shall establish a removal and replacement process for the executive director.
   (3) The governing board shall determine a plan to ensure equitable distribution of funding and resources across all participating jurisdictions.

2) Require any funds collected in a local housing trust fund and local housing ordinances fees to be spent in the jurisdictions in which they were originally collected for the purpose they were originally imposed.

   d) The agency shall be the designated recipient of all local housing trust funds and local housing ordinance fees collected by each participating entity within the joint powers agreement pursuant to Section 6539.9.6. These funds shall include, but are not limited to, the affordable housing ordinance fee collected by the County of Sacramento (Section 22.35.010 et seq. of the Sacramento County Code) and the mixed income housing ordinance fee collected by the City of Sacramento (Section 17.712.010 et seq. of the Sacramento City Code). ***These funds shall only be spent within the jurisdiction from which they were originally collected and for purposes for which they were originally imposed.***

3) Delete the requirement to the transfer of "housing tax increment revenues" to SHHA:

   ~~*(h) All housing tax increment revenues derived from former redevelopment areas and allocated to participating cities or to the County of Sacramento shall be transferred to the agency. These revenues shall be used exclusively for the development, preservation, and administration of affordable housing projects. The agency may issue bonds secured by these revenues to finance current and future housing initiatives.*~~

4) Delete the language that changes the RHNA process:

   ~~(f) Notwithstanding any other law, the regional housing needs allocations pursuant to Section 65584 for all participating entities within the joint powers agreement pursuant to Section 6539.9.6 shall be consolidated into a single regional goal to be administered by the agency. The total regional housing needs assessment allocation for the joint powers agreement shall be reduced by 20 percent from the aggregate of the allocations that would otherwise apply to the participating entities individually.~~

Related Legislation:

SB 679 (Kamlager), Chapter 661, Statutes of 2022: Established the Los Angeles County Affordable Housing Solutions Agency (LACAHSA), and authorized LACAHSA to utilize specified local financing tools for the purpose of funding renter protections and the preservation

and production of housing units affordable to households earning up to 80 percent of the area median income.

AB 1487 (Chiu), Chapter 598, Statutes of 2019: Established BAHFA throughout the San Francisco Bay Area and set forth the governing structure and powers of the BAHFA Board, allowable financing activities, and allowable expenditures of the revenues generated.

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

REGISTERED SUPPORT / OPPOSITION:

Support

AARP
Black Women Revolt Against Domestic Violence
California Apartment Association
California YIMBY
Center on Juvenile and Criminal Justice
Community Forward SF
Councilmember Caity Maple, City of Sacramento, District 5
Councilmember Mai Vang, City of Sacramento, District 8
Downtown Women's Center
Franklin Boulevard Business Association
Freedom Forward
LA Casa De Las Madres
Mary Elizabeth Inn
National Council of Jewish Women-SF
People Working Together
Race & Equity in All Planning Coalition (REP-SF)
San Francisco Domestic Violence Consortium
San Francisco SafeHouse
The Women's Building
Vice Mayor Karina Talamantes, Sacramento City Council, District 3
Youth Forward
Individuals (3)

Support If Amended
House Sacramento

Opposition

California (UN)incorporated
California Association of Realtors
Camp Resolution
City of Citrus Heights
City of Elk Grove
City of Folsom
City of Rancho Cordova

Community Lead Advocacy Program Clap
Izaya Michael Foundation
Mayor Bobbie Singh-Allen, City of Elk Grove
Mayor Dr. Jayna Karpinski-Costa, City of Citrus Heights
Mayor Kevin McCarty, City of Sacramento
Mayor Sarah Aquino, City of Folsom
Mayor Siri Pulipati, City of Rancho Cordova
Phil Serna, Sacramento County Board of Supervisors, Chair
Sacramento Area Congregations Together
Sacramento County Board of Supervisors
Sacramento Environmental Justice Coalition
Sacramento Homeless Organizing Committee
Sacramento Homeless Union
Sacramento Housing Alliance
Sacramento Poor People's Campaign
Sacramento Region Business Association
Tai Leadership
Urban Counties of California (UCC)
Individuals (3)

Oppose Unless Amended
Fieldstead and Company
International Brotherhood of Electrical Workers Local 340

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