

AMENDED IN ASSEMBLY JUNE 23, 2025

AMENDED IN SENATE MAY 1, 2025

AMENDED IN SENATE MARCH 26, 2025

SENATE BILL

No. 802

Introduced by Senator Ashby

February 21, 2025

An act to *add Article 1.5 (commencing with Section 6539.9.5) to Chapter 5 of Division 7 of Title 1 of the Government Code, and to amend Section 50675.1.3 of, to add Section 50675.17 to, and to add Article 3 (commencing with Section 50245) to Chapter 6.5 of Part 1 of Division 31 of, the Health and Safety Code, relating to housing.*

LEGISLATIVE COUNSEL'S DIGEST

SB 802, as amended, Ashby. *Housing finance and development: Sacramento Area Housing and Homelessness Agency: Multifamily Housing Program: Homekey: Homeless Housing, Assistance, and Prevention program.*

(1) Existing law, the Joint Exercise of Powers Act, authorizes 2 or more public agencies, by agreement, to form a joint powers authority to exercise any power common to the contracting parties, as specified. Existing law authorizes the agreement to set forth the manner by which the joint powers authority will be exercised.

This bill would require that the joint powers authority currently operating as the Sacramento Housing and Redevelopment Agency be restructured, expanded, amended, and renamed as the Sacramento Area Housing and Homelessness Agency, as provided. The bill would require the agency to include the County of Sacramento and qualified local agencies, as specified and defined, and would make the agency the

regional authority for prescribed activities, including developing and preserving affordable housing and coordinating and administering homelessness prevention and response services. The bill would require the updated joint powers agreement to provide for a governing board and an executive director, as specified, and require the Sacramento Local Agency Formation Commission to form and appoint an independent task force to consolidate all entities for purposes of establishing the agency, as provided. The bill would require the agency to adopt a comprehensive strategic plan to address housing and homelessness no later than 3 years from the date the restructured joint powers agreement takes effect. The bill would also require the agency to establish and maintain a standing advisory board, as provided.

Under the bill, the Sacramento Area Housing and Homelessness Agency would retain its legal identity as the public housing authority and redevelopment successor entity and continue to administer all existing housing, homelessness, and redevelopment programs in compliance with specified law. The bill would require the agency to 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, and require that the agency be deemed a regional entity for the purposes of statewide housing and homelessness funding programs. The bill would require the agency to coordinate its operations with the housing and homelessness departments of each participating jurisdiction, as specified, to ensure alignment of local priorities and effective delivery of services.

Existing law, the Planning and Zoning Law, requires each county and each city to adopt a comprehensive, long-term general plan for the physical development of the county or city, and specified land outside its boundaries, that includes, among other specified mandatory elements, a housing element. For the 4th and subsequent revisions of the housing element, existing law requires the Department of Housing and Community Development to determine the existing and projected need for housing for each region, and requires the appropriate council of governments, or the department for cities and counties without a council of governments, to adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county, as provided. Existing law requires that a county's or city's housing element include an assessment of housing needs and an inventory of resources and constraints that are relevant to the meeting of these needs, including an analysis of population and employment

trends and documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels that includes the locality's share of the regional housing need.

This bill would require that the regional housing needs allocations for all participating entities within the Sacramento Area Housing and Homelessness Agency be consolidated into a single regional goal to be administered by the agency. The bill would also require that the total regional housing needs assessment allocation for the joint powers agreement be reduced by 20% from the aggregate of the allocations that would otherwise apply to the participating entities individually.

The California Constitution, with respect to any taxes levied on taxable property in a redevelopment project established under the Community Redevelopment Law, as it then read or may be amended, authorizes the Legislature to provide for the division of those taxes under a redevelopment plan between the taxing agencies and the redevelopment agency, as provided. Existing law dissolved redevelopment agencies as of February 1, 2012, and designates successor agencies to act as successor entities to the dissolved redevelopment agencies. Existing law also provides for the designation of a housing successor to assume the housing assets, as defined, and functions of a former redevelopment agency and requires that any funds transferred to the housing successor, together with any funds generated from housing assets, be maintained in a separate Low and Moderate Income Housing Asset Fund of the housing successor, to be used as specified, including to meet the enforceable obligations of the housing successor.

This bill would require that housing tax increment revenues derived from former redevelopment areas and allocated to participating cities or to the County of Sacramento be transferred to the Sacramento Area Housing and Homelessness Agency. The bill would require that these revenues be used exclusively for the development, preservation, and administration of affordable housing projects. The bill would authorize the agency to issue bonds secured by these revenues to finance current and future housing initiatives.

By adding to the duties of local officials with respect to the activities of the Sacramento Housing and Homelessness Agency, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for County of Sacramento. The bill would make additional related findings and declarations.

~~Existing~~

(2) *Existing* law establishes various housing programs administered by the Department of Housing and Community Development, including the Homeless Housing, Assistance, and Prevention program (HHAP) and the Multifamily Housing Program. Existing law establishes the Homeless Housing, Assistance, and Prevention program for the purpose of providing jurisdictions with grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges, as specified. Existing law establishes the Multifamily Housing Program to provide financial assistance in the form of deferred payment loans to pay for the eligible costs of development of specified types of housing projects. Existing law requires that specified funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases be disbursed in accordance with the Multifamily Housing Program for specified uses. This disbursement program is referred to as Homekey.

This bill would require the department, upon appropriation for the above-specified programs, to ensure that former foster youth and extremely low income, very low income, and lower income households, as specified, are given consideration.

(3) *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Nearly all homeless shelters are developed as co-ed.

1 (b) Co-ed homeless shelters are over 90 percent male, which
2 can result in an environment that feels unsafe for women, especially
3 those who have been victims of trafficking, violence, abuse, or
4 trauma.

5 (c) There is a need for safe, stable, affordable housing for
6 individuals experiencing trauma, street violence, domestic violence
7 and abuse, sexual abuse and assault, or human trafficking, a
8 population of which is overwhelmingly women.

9 ~~SEC. 2. It is the intent of the Legislature to enact legislation~~
10 ~~to ensure a portion of all state funding distributed by the~~
11 ~~Department of Housing and Community Development is allocated~~
12 ~~for the construction, development, acquisition, or rehabilitation of~~
13 ~~housing for extremely low income households, very low income~~
14 ~~households, or lower income households who need safe and stable~~
15 ~~housing and are experiencing traumatic homelessness, street~~
16 ~~violence, domestic violence and abuse, sexual abuse and assault,~~
17 ~~or human trafficking.~~

18 SEC. 2. *Article 1.5 (commencing with Section 6539.9.5) is*
19 *added to Chapter 5 of Division 7 of Title 1 of the Government*
20 *Code, to read:*

21
22 *Article 1.5. Sacramento Area Housing and Homelessness*
23 *Agency*
24

25 6539.9.5. *For purposes of this article:*

26 (a) “Agency” means the Sacramento Area Housing and
27 Homelessness Agency.

28 (b) “Governing board” means the governing board of the
29 agency.

30 (c) (1) “Qualified local agency” means any city within the
31 County of Sacramento that has a population of at least 50,000,
32 based on the most recent federal decennial census or a subsequent
33 estimate prepared by the Demographic Research Unit of the
34 Department of Finance.

35 (2) “Qualified local agency” includes, but is not limited to, the
36 Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova,
37 and Sacramento.

38 6539.9.6. (a) (1) Notwithstanding any other law, the joint
39 powers authority currently operating as the Sacramento Housing
40 and Redevelopment Agency, created pursuant to a 1973 agreement

1 *between the City of Sacramento and the County of Sacramento,*
2 *shall be restructured, expanded, amended, and renamed as the*
3 *Sacramento Area Housing and Homelessness Agency as provided*
4 *in this article.*

5 *(2) The Legislature finds and declares that the purpose of the*
6 *restructuring of the agency described in paragraph (1) is to*
7 *modernize and expand the agency's scope and governance to*
8 *address regional housing and homelessness needs, while preserving*
9 *the agency's legal status, contracts, funding eligibility, and*
10 *programmatic history.*

11 *(b) The agency shall include as members the County of*
12 *Sacramento and each qualified local agency, and shall operate*
13 *under a new joint powers agreement entered into pursuant to this*
14 *chapter.*

15 *(c) The agency shall serve as the regional authority to do all of*
16 *the following:*

17 *(1) Develop and preserve affordable housing.*

18 *(2) Coordinate and administer homelessness prevention and*
19 *response services, including the Coordinated Entry System, as*
20 *defined in subdivision (f) of Section 50490 of the Health and Safety*
21 *Code.*

22 *(3) Serve as the United States Department of Housing and Urban*
23 *Development designated Continuum of Care pursuant to Section*
24 *578 of Title 24 of the Code of Federal Regulations.*

25 *(4) Apply for, receive, and administer federal, state, and local*
26 *funding for housing and homelessness.*

27 *(5) Manage and implement a comprehensive strategic plan to*
28 *address and reduce homelessness in the County of Sacramento.*

29 *(d) The updated joint powers agreement pursuant to subdivision*
30 *(a) shall provide for all of the following:*

31 *(1) (A) A governing board composed of at least one elected*
32 *official from each qualified local agency that is party to the*
33 *agreement, with full delegated powers and duties transferred from*
34 *the cities and county. The initial board under the amended joint*
35 *powers agreement shall consist of 11 members appointed by the*
36 *legislative bodies of the County of Sacramento and each qualified*
37 *local agency, in accordance with the following:*

38 *(i) Three members shall be selected from, and appointed by,*
39 *the City Council of the City of Sacramento.*

1 (ii) Three members shall be selected from, and appointed by,
2 the Board of Supervisors of the County of Sacramento.

3 (iii) Two members shall be selected from, and appointed by, the
4 City Council of the City of Elk Grove.

5 (iv) One member each shall be selected from, and appointed
6 by, the city councils of the Cities of Citrus Heights, Folsom, and
7 Rancho Cordova.

8 (B) The board may increase the number of members if a
9 qualified local agency enters into an agreement to join the joint
10 powers agreement. That qualified local agency shall be entitled
11 to make one appointment to the board.

12 (C) Each member on the governing board may select an
13 alternate from the County of Sacramento, in the case of a member
14 appointed pursuant to clause (ii) of subparagraph (A), or from
15 that member's same qualified local agency, in the case of any other
16 member, to serve on the board when the primary member or
17 members are not available. Each alternate shall be appointed to
18 serve for a specific member. The alternate shall be subject to the
19 same restrictions and shall have the same powers, when serving
20 on the board, as the primary member. The legislative body of any
21 voting entity appointing an alternate shall provide written
22 notification to the secretary of the governing board of each
23 appointment of an alternate in order for the appointment to be
24 effective.

25 (D) A member of the governing board shall serve without
26 compensation but may be reimbursed for actual expenses approved
27 by the board.

28 (E) Each governing board member is entitled to one vote on
29 each matter submitted for a vote.

30 (F) If a vacancy occurs on the governing board because of
31 death, resignation, illness, or for other reason, the secretary of
32 the governing board shall immediately provide written notice to
33 the County of Sacramento, in the case of a member appointed
34 pursuant to clause (ii) of subparagraph (A), or the qualified local
35 agency appointing the board member, in the case of any other
36 member, of the need to appoint a replacement, and the replacement
37 shall be appointed within 60 days of the transmittal of the notice.

38 (2) (A) An executive director of the agency. The initial executive
39 director of the agency under the amended joint powers agreement

1 *shall be the current executive director of the Sacramento Housing*
2 *and Redevelopment Agency.*

3 *(B) The governing board shall establish a removal and*
4 *replacement process for the executive director.*

5 *(3) Bylaws, to be established by the governing board, which*
6 *shall include, at a minimum, all of the following:*

7 *(A) A regular meeting schedule for the governing board, in*
8 *accordance with the following:*

9 *(i) The schedule, location, time, and agenda of all regular and*
10 *special governing board meetings shall be publicly noticed.*

11 *(ii) All meetings shall be open to the public, unless the matter*
12 *is a proper one for closed session. All meetings shall comply with*
13 *the provisions of the Ralph M. Brown Act (Chapter 9 (commencing*
14 *with Section 54950) of Part 1 of Division 2 of Title 5).*

15 *(B) (i) A code of ethics, the key expectations of which shall*
16 *include all of the following:*

17 *(I) Act in the best interest of the agency.*

18 *(II) Do not use official positions for private gain.*

19 *(III) Abstain from decisions where personal or financial interests*
20 *conflict with Agency interests.*

21 *(ii) Each member of the governing board and each employee*
22 *shall uphold high standards of integrity, fairness, and*
23 *transparency.*

24 *(iii) Each member of the governing board shall comply with the*
25 *requirements of the Political Reform Act of 1974 (Title 9*
26 *(commencing with Section 81000)), and shall file statements of*
27 *economic interests, as required by law.*

28 *(iv) The governing board shall establish process to address any*
29 *ethics violations.*

30 *(C) A reimbursement process, including designating what*
31 *qualifies as a reimbursable expense and establishing procedure*
32 *for making payments.*

33 *(e) (1) The Sacramento Local Agency Formation Commission*
34 *shall form and appoint members to an independent task force. Staff*
35 *of existing entities shall not be appointed to the task force. Staff*
36 *of the Sacramento Housing and Redevelopment Agency shall*
37 *provide administrative support to the task force.*

38 *(2) The duties of the independent task force shall be to*
39 *consolidate all entities for purposes of establishing the agency.*

1 (3) *The task force shall dissolve 60 days after the establishment*
2 *of the governing board of the agency.*

3 (f) *The agency shall adopt a comprehensive strategic plan to*
4 *address housing and homelessness no later than three years from*
5 *the date the restructured agreement takes effect. The plan shall*
6 *align with all relevant state and federal requirements. The agency*
7 *shall submit the plan to the Legislature in compliance with Section*
8 *9795.*

9 6539.9.7. (a) *The agency shall retain its legal identity as the*
10 *public housing authority and redevelopment successor entity*
11 *formerly known as the Sacramento Housing and Redevelopment*
12 *Agency and shall continue to administer all existing housing,*
13 *homelessness, and redevelopment programs in compliance with*
14 *applicable law. An entity shall not be created that negates the*
15 *duties of the agency.*

16 (b) *The agency shall assume or continue responsibility for the*
17 *administration and oversight of programs for all participating*
18 *entities in the joint powers agreement pursuant to this article,*
19 *including, but not limited to, all of the following:*

20 (1) *The Section 8 Housing Choice Voucher Program (42 U.S.C.*
21 *Sec. 1437f; 24 C.F.R. 982).*

22 (2) *The United States Department of Housing and Urban*
23 *Development Veterans Affairs Supportive Housing (42 U.S.C. Sec.*
24 *1437f(o)(19)).*

25 (3) *Public housing under Sections 1436d and 1437f of Title 42*
26 *of the United States Code.*

27 (4) *The Community Development Block Grant Program (42*
28 *U.S.C. Sec. 5301 et seq.).*

29 (5) *The HOME Investment Partnerships Program (42 U.S.C.*
30 *Sec. 12721 et seq.).*

31 (6) *The Emergency Solutions Grants (42 U.S.C. Sec. 11371 et*
32 *seq.).*

33 (7) *The Continuum of Care Program (42 U.S.C. Sec. 11381 et*
34 *seq. and 24 C.F.R. 578).*

35 (8) *The Housing Opportunities for Persons With AIDS Program*
36 *(42 U.S.C. Sec. 12901 et seq.).*

37 (9) *State homelessness programs, including the Homeless*
38 *Housing, Assistance, and Prevention program (Chapter 6*
39 *(commencing with Section 50216) of Part 1 of Division 31 of the*

1 *Health and Safety Code) and the Homekey program (Section*
2 *50675.1.1 of the Health and Safety Code).*

3 *(10) Coordinated Entry System, a HUD-mandated Continuum*
4 *of Care, as defined in subdivision (f) of Section 50490 of the Health*
5 *and Safety Code.*

6 *(c) The agency shall comply with all applicable regulations and*
7 *requirements, including, but not limited to, all of the following:*

8 *(1) Sections 574, 576, 578, 960, 965, 982, and 990 of Title 24*
9 *of the Code of Federal Regulations.*

10 *(2) With respect to public housing agency planning, Section*
11 *903 of Title 24 of the Code of Federal Regulations.*

12 *(3) Continuum of Care governance, data, and performance*
13 *standards mandated by the United States Department of Housing*
14 *and Urban Development.*

15 *(4) The Housing Authorities Law (Article 1 (commencing with*
16 *Section 34200) of Chapter 1 of Part 2 of Division 24 of the Health*
17 *and Safety Code).*

18 *(5) Requirements under applicable state programs, including,*
19 *but not limited to, the Homeless Housing, Assistance, and*
20 *Prevention program (Chapter 6 (commencing with Section 50216)*
21 *of Part 1 of Division 31 of the Health and Safety Code) and the*
22 *Homekey program (Section 50675.1.1 of the Health and Safety*
23 *Code).*

24 *(6) All applicable civil rights laws, including the federal Fair*
25 *Housing Act (42 U.S.C. Sec. 3601 et seq.), including the mandate*
26 *to affirmatively further fair housing; the federal Americans with*
27 *Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.); and Title*
28 *VI of the federal Civil Rights Act of 1964 (42 U.S.C. Sec. 2000d*
29 *et seq.).*

30 *(d) The agency shall maintain eligibility for all funding*
31 *programs for which the Sacramento Housing and Redevelopment*
32 *Agency or Sacramento Steps Forward previously qualified.*

33 *(e) The agency shall be the designated recipient of all local*
34 *housing trust funds and local housing ordinance fees collected by*
35 *each participating entity within the joint powers agreement*
36 *pursuant to Section 6539.9.6. These funds shall include, but are*
37 *not limited to, the affordable housing ordinance fee collected by*
38 *the County of Sacramento (Section 22.35.010 et seq. of the*
39 *Sacramento County Code) and the mixed income housing*

1 ordinance fee collected by the City of Sacramento (Section
2 17.712.010 et seq. of the Sacramento City Code).

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

11 (g) The agency shall be deemed a regional entity for the
12 purposes of statewide housing and homelessness funding programs
13 and shall be granted priority consideration for all applicable state
14 housing and homelessness funding sources.

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

22 6539.9.8. (a) The agency shall coordinate its operations with
23 the housing and homelessness departments of each participating
24 jurisdiction to ensure alignment of local priorities and effective
25 delivery of services.

26 (b) The departments described in subdivision (a) include, but
27 are not limited to, all of the following:

28 (1) The Department of Homeless Services and Housing of the
29 County of Sacramento.

30 (2) The Department of Community Response of the City of
31 Sacramento.

32 (3) The Housing Division of the City of Elk Grove.

33 (4) The Housing Division of the City of Rancho Cordova.

34 (5) The Housing and Grants Division of the City of Citrus
35 Heights.

36 (c) The agency may also consult with additional local
37 departments, advisory bodies, or nonprofit partners as needed to
38 fulfill its mission.

39 6539.9.9. (a) The agency shall establish and maintain a
40 standing advisory board to ensure compliance with federal and

1 *state requirements for public participation in housing authority*
2 *and Continuum of Care governance.*

3 *(b) The advisory board shall be appointed by a majority vote*
4 *of the governing board. The advisory board shall adopt bylaws*
5 *for appointments, terms, and procedures.*

6 *(c) The advisory board shall include, but is not limited to, all*
7 *of the following:*

8 *(1) At least one individual currently or formerly experiencing*
9 *homelessness, pursuant to Section 578.3 of Title 24 of the Code*
10 *of Federal Regulations, and at least one individual who is a current*
11 *resident of public housing or low-income housing.*

12 *(2) Representatives from community-based organizations,*
13 *service providers, and housing developers.*

14 *(3) Experts in behavioral health, public housing, and program*
15 *implementation.*

16 *(d) The advisory board shall do all of the following:*

17 *(1) Meet at least quarterly in publicly noticed meetings.*

18 *(2) Provide recommendations on funding, programs, planning,*
19 *and performance.*

20 *(3) Fulfill United States Department of Housing and Urban*
21 *Development and state consultation requirements for funding and*
22 *compliance.*

23 *(4) Assist in development of the agency's strategic plan and*
24 *annual updates.*

25 *(e) The advisory board shall not have voting authority over*
26 *governing board decisions.*

27 *(f) The advisory board shall consist of seven members, appointed*
28 *as provided in subdivisions (b) and (c).*

29 SEC. 3. Article 3 (commencing with Section 50245) is added
30 to Chapter 6.5 of Part 1 of Division 31 of the Health and Safety
31 Code, to read:

32
33 Article 3. Additional Rounds of the Homeless Housing,
34 Assistance, and Prevention ~~program~~ Program
35

36 50245. Upon appropriation by the Legislature, for rounds of
37 the Homeless Housing, Assistance, and Prevention program
38 adopted after the effective date of the act that added this article,
39 the department shall ensure that both of the following populations
40 who need safe and stable housing and are experiencing traumatic

1 homelessness, street violence, domestic violence and abuse, sexual
2 abuse and assault, or human trafficking are given consideration:

3 (a) Former foster youth.

4 (b) Extremely low income households, very low income
5 households, and lower income households.

6 SEC. 4. Section 50675.1.3 of the Health and Safety Code is
7 amended to read:

8 50675.1.3. (a) Notwithstanding any other law, including
9 subdivision (b) of Section 50675.1, funds appropriated to provide
10 housing for individuals and families who are experiencing
11 homelessness or who are at risk of homelessness, as defined by
12 this section, and who are inherently impacted by or at increased
13 risk for medical diseases or conditions due to the COVID-19
14 pandemic or other communicable diseases, shall be disbursed in
15 accordance with the Multifamily Housing Program, including as
16 grants to cities, counties, cities and counties, and all other state,
17 regional, and local public entities, including councils of
18 government, metropolitan planning organizations, and regional
19 transportation planning agencies designated in Section 29532.1 of
20 the Government Code, as necessary, for the following uses:

21 (1) Acquisition or rehabilitation, or acquisition and
22 rehabilitation, of motels, hotels, hostels, or other sites and assets,
23 including apartments or homes, adult residential facilities,
24 residential care facilities for the elderly, manufactured housing,
25 commercial properties, and other buildings with existing uses that
26 could be converted to permanent or interim housing.

27 (2) Master leasing of properties for noncongregant housing.

28 (3) Conversion of units from nonresidential to residential.

29 (4) New construction of dwelling units.

30 (5) The purchase of affordability covenants and restrictions for
31 units.

32 (6) Relocation costs for individuals who are being displaced as
33 a result of rehabilitation of existing units.

34 (7) Capitalized operating subsidies for units purchased,
35 converted, or altered with funds provided by this section.

36 (b) Where possible, the funds described in subdivision (a) shall
37 be allocated by the department in a manner that takes into
38 consideration all of the following:

39 (1) Need geographically across the state.

1 (2) The demonstrated ability of the applicant to fund ongoing
2 operating reserves.

3 (3) The creation of new permanent housing options.

4 (4) The potential for state, federal, or local funding for
5 capitalized operating reserves to make additional housing units
6 financially viable through this program.

7 (c) Not less than 8 percent of the funds described in subdivision
8 (a) shall be available for projects serving homeless youth, or youth
9 at risk of homelessness, as defined in Part 578.3 of Title 24 of the
10 Code of Federal Regulations.

11 (d) Any conflict between the other requirements of the
12 Multifamily Housing Program created by this chapter and this
13 section shall be resolved in favor of this section, as may be set
14 forth in the guidelines authorized by this section.

15 (e) The Department of Housing and Community Development
16 may adopt guidelines for the expenditure of the funds appropriated
17 to the department, and for the administration of this program. The
18 guidelines shall not be subject to the requirements of Chapter 3.5
19 (commencing with Section 11340) of Part 1 of Division 3 of Title
20 2 of the Government Code.

21 (f) Up to 5 percent of the funds received from the Coronavirus
22 State Fiscal Recovery Fund established by the federal American
23 Rescue Plan Act of 2021 (ARPA) (Public Law 117-2) and
24 appropriated for purposes of this section may be expended for the
25 costs to administer the program, to the extent authorized by federal
26 law.

27 (g) Up to 5 percent of any General Fund moneys appropriated
28 for purposes of this section may be expended for the costs to
29 administer this program.

30 (h) The department's annual report to the Legislature submitted
31 under Section 50408 shall include, but not be limited to, all of the
32 following:

33 (1) The amount of funds expended for the uses described in this
34 section.

35 (2) The location of any properties for which the funds are used.

36 (3) The number of usable housing units produced, or planned
37 to be produced, using the funds.

38 (4) The number of individuals housed, or likely to be housed,
39 using the funds.

1 (5) The number of units, and the location of those units, for
2 which operating subsidies have been, or are planned to be,
3 capitalized using the funds.

4 (6) An explanation of how funding decisions were made for
5 acquisition, conversion, or rehabilitation projects, or for capitalized
6 operating subsidies, including what metrics were considered in
7 making those decisions.

8 (7) Any lessons learned from the use of the funds.

9 (8) Proposed changes to the program to address lessons learned.

10 (i) Any project that uses funds received for any of the purposes
11 specified in subdivision (a) shall be deemed consistent and in
12 conformity with any applicable local plan, standard, or requirement,
13 and any applicable coastal plan, local or otherwise, and allowed
14 as a permitted use, within the zone in which the structure is located,
15 and shall not be subject to a conditional use permit, discretionary
16 permit, or any other discretionary reviews or approvals.

17 (j) A report to be submitted pursuant to subdivision (h) shall be
18 submitted in compliance with Section 9795 of the Government
19 Code.

20 (k) Upon an appropriation by the Legislature for the purposes
21 described in this section, the department shall administer funding
22 according to the timeline set forth below, subject to any
23 modifications set forth by the guidelines:

24 (1) The department may accept funding applications and issue
25 awards on a continuous, over-the-counter basis until the funding
26 has been exhausted or as otherwise required by law.

27 (2) Each award shall be expended on the uses authorized at
28 subdivision (a), and in accordance with all relevant representations
29 and descriptions in the application, within eight months of the date
30 of the award. Applicants may ask the department for an extension
31 of this timeframe on the grounds and according to the procedures
32 set forth in the guidelines. The director shall have reasonable
33 discretion to approve or deny such an extension upon conducting
34 a full and good faith review of the applicant's extension request.

35 (l) For purposes of this section, "individuals and families who
36 are homeless or who are at risk of homelessness" means persons
37 and families that meet the qualifying definitions under Part 578.3
38 of Title 24 of the Code of Federal Regulations.

39 (m) To advance the objectives specified in Section 50675.1.1
40 or this section, the department may expand the population served

beyond the population specified in subdivision (l) as specified by the guidelines authorized by this section.

(n) Upon appropriation by the Legislature for the purposes of this section after the effective date of the act that added this subdivision, the department shall ensure that both of the following populations who need safe and stable housing and are experiencing traumatic homelessness, street violence, domestic violence and abuse, sexual abuse and assault, or human trafficking are given consideration:

(1) Former foster youth.

(2) Extremely low income households, very low income households, and lower income households.

SEC. 5. Section 50675.17 is added to the Health and Safety Code, to read:

50675.17. Upon appropriation by the Legislature for the purposes of this chapter after the effective date of the act that added this section, the department shall ensure that both of the following populations who need safe and stable housing and are experiencing traumatic homelessness, street violence, domestic violence and abuse, sexual abuse and assault, or human trafficking are given consideration:

(a) Former foster youth.

(b) Extremely low income households, very low income households, and lower income households.

SEC. 6. *The Legislature finds and declares, with respect to Section 2 of this act, that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique and urgent housing and homelessness conditions in the County of Sacramento and its major cities.*

SEC. 7. *If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.*