



Update and Direction on Senate Bill 802 (Ashby)

City Council

February 10, 2026



SB 802: Sacramento Area Housing and Homelessness Agency (SAHHA)



➤ **SB 802 Introduced June 24, 2025**

➤ **Original Provisions (June 2025)**

- Transfer Sacramento Continuum of Care (CoC) to SAHHA
- Redirect all federal/state homelessness funds to SAHHA
- Shift CDBG & HOME funds from jurisdictions to SAHHA
- Transfer local affordable housing fees to SAHHA
- Revise RHNA distribution process

➤ **Local Concerns**

- Insufficient local input
- Loss of local control over funding allocations
- Loss of funding to achieve Housing Element goals



- **Members:** Sacramento County and all cities >50,000 population
- **11-member board:**
 - 3 – Sacramento County
 - 3 – City of Sacramento
 - 2 – Elk Grove
 - 1 each – Citrus Heights, **Folsom**, Rancho Cordova

Key Revisions – January 2026

- Added language that allows *entitlement jurisdictions* to retain their CDBG and HOME funding
- Clarifies that affordable housing impacted fees collected in a jurisdiction will be spent in that jurisdiction
- Removed the change in distribution of the Regional Housing Needs Allocation, and the proposed reduction to it
- Creates Homeless Division comprised of Sacramento Steps Forward and the CoC

Sacramento City Council

- Voted **7–2** to pursue a **JPA model** (not necessarily the SB 802 version)

Other City Councils: Rancho Cordova, Elk Grove, Citrus Heights

- Contacted by Senator Ashby's Office requesting withdrawal of opposition to SB 802 to preserve local-control protections
- Despite varying levels of reluctance, each **conditionally voted to remain neutral** on SB 802
- Coordinating proposed amendments that ensure:
 - Additional bill language protects **local control and funding**
 - Clarification is provided on several outstanding issues

Local Control & Governance Issues

- State-mandated JPA formation
- SAHHA authority over local housing fees
- Need to preserve Folsom's ability to develop affordable housing
- Ethics rule requires members to prioritize the agency over their own jurisdictions.

Funding Protections Needed

- Ensuring proportional CDBG, HOME, and PLHA allocations
- Preserving future entitlement status options
- Safeguarding ability to apply independently for state and federal funds

Staff Recommended Bill Amendments



1. **Replace the mandated JPA requirement** with language encouraging voluntary formation and participation by all Sacramento County jurisdictions.
2. **Clarify SAHHA's authority over fees** so that it applies only to housing trust fund and local housing ordinance fees collected by the City of Sacramento and the County of Sacramento.
3. **Ensure non-entitlement jurisdictions receive their proportional CDBG and HOME allocations** for as long as SAHHA administers these federal programs.
4. **Protect Folsom's ability to become an entitlement jurisdiction** by specifying that SAHHA may not interfere with any jurisdiction seeking to receive federal funds directly from HUD.
5. **Require SAHHA to allocate PLHA funds consistent with current County practices** for all jurisdictions while SAHHA administers the program.

Staff Recommended Bill Amendments

(continued)



6. **Affirm that SAHHA's affordable housing development authority is non-exclusive** and that local jurisdictions retain the ability to use their own housing funds for development or preservation activities.
7. **Require LAFCO to appoint at least one representative from each participating jurisdiction** based on recommendations from that jurisdiction's city manager or City Council.
8. **Ensure SAHHA coordinates state housing and homelessness funding applications** while preserving the ability of participating jurisdictions to apply independently for local, state, or federal funding.
9. **Revise the code of ethics requirement** so that board members must act in the best interest of the **public**, rather than solely in the interest of the agency, to avoid conflicts for jurisdictional representatives.

Staff recommends that the City Council withdraw its opposition and adopt a neutral position on Senator Ashby's Senate Bill (SB) 802, contingent on amendments that adequately protect the City's current and future housing and homelessness funding sources and adequately address the key issues presented by staff.

Questions?