



County of Sacramento

Board of Supervisors
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Patrick Hume, District 5

July 8, 2025

The Honorable Matt Haney, Chair
Assembly Housing and Community Development Committee
1021 O Street, Suite 5740
Sacramento, CA 95814

**Re: SB 802 (Ashby). Sacramento Area Housing and Homelessness
Agency: Multifamily Housing Program: Homekey: Homeless Housing,
Assistance, and Prevention program.
Oppose (As introduced June 24, 2025)
Hearing: July 16, 2025**

Dear Chair Haney:

The Sacramento County Board of Supervisors firmly opposes SB 802 (Ashby), which proposes a drastic restructuring of homelessness and housing efforts in the Sacramento region. We share the Legislature's commitment to addressing homelessness, but this bill:

- Raises questions about the state's authority to compel changes to local Joint Powers Authorities,
- Potentially conflicts with federal regulations governing homeless services,
- Puts \$40 million in active Homeless Housing, Assistance and Prevention (HHAP) contracts and services at risk of disruption,
- Sets a troubling precedent for state intervention in local governance without local input,
- Raises governance concerns regarding the designated lead agency's ability to manage such responsibilities,
- Disrupts locally developed collaborative solutions already underway.

The Board respectfully requests the Committee's careful consideration of these issues detailed below:

Detailed Analysis

The Board is deeply concerned not only with the substance of SB 802, but also with the process by which it was introduced -- without consultation of the jurisdictions it directly impacts. This approach raises serious legal, financial, and policy concerns and undermines core principles of local decision-making and collaborative governance. If enacted, this bill would set a troubling precedent for state intervention into local governance structures, potentially paving the way for similar overreach in other communities across California.

1. Concerns About Legislative Authority

The formation and powers of Joint Powers Authorities are governed by mutual agreement among their members (Gov. Code §6502), and only those members may amend such agreements (Gov. Code §§6502, 6503). SB 802 proposes to unilaterally change the structure of the Sacramento Housing and Redevelopment Agency (SHRA), which contradicts both the intent and legal framework of the Joint Exercise of Powers Act. That Act is intended to support *voluntary* cooperation among public agencies—not allow the state to impose participation or control.

Legal Risk: Courts could rule that the state lacks the authority to restructure a Joint Powers Authority (JPA) without the consent of its members.

2. Concerns About Federal Regulatory Compliance

SB 802 conflicts with federal regulations governing how local communities must organize their homelessness response. Under 24 CFR Part 578, the Continuum of Care (CoC) is responsible for establishing its own governance structure and designating its collaborative applicant, Homeless Management Information System administrator, and Coordinated Access System lead. SB 802 would require the newly formed Sacramento Area Housing and Homelessness Agency to assume all three roles – regardless of local input.

Federal regulations require that these decisions be made locally and that CoC boards include specific stakeholders, including voting members who are currently or formerly homeless (24 CFR §578.5(b)(1)– (2)). Under SB 802, these individuals would serve only in an advisory capacity, which does not satisfy federal requirements. Furthermore, any change in the CoC's collaborative applicant must be approved by the U.S. Department of Housing and Urban Development (HUD)—a step SB 802 fails to address.

Federal Funding Risk: Non-compliance with 24 CFR Part 578 could result in HUD funding freezes, denying access to competitive grants, or even requiring repayment of existing awards.

3. Fiscal and Contractual Implications

SB 802 proposes the transfer of state, federal, and local funds to a newly formed JPA without comprehensive financial analysis. This raises concerns, as this measure:

- Creates potential conflicts with constitutional provisions related to locally imposed fees,
- Raises questions regarding fiscal autonomy of charter jurisdictions,
- Does not set clear accountability mechanisms for fund management.

Sacramento County currently administers approximately \$40 million in Homeless Housing, Assistance, and Prevention funds under active contracts with specific terms, timelines, and performance metrics. The proposed transfer of these programs raises significant legal concerns, as active contracts cannot be unilaterally reassigned without the consent of all parties.

Service Impact: Programs at risk include emergency shelters, permanent supportive housing units, rapid re-housing assistance and integrated behavioral health services.

4. Governance Structure Considerations

SB 802 mandates the creation of a JPA to oversee regional housing and homelessness programs, with SHRA designated as the lead entity. The Board respectfully suggests this governance model may not optimally serve the complex needs of our homeless population. Counties have statutory responsibility for Health and Human Services and possess unique capabilities to integrate homelessness services with behavioral health and social services—a critical factor in achieving sustainable outcomes. The ability to braid and leverage funding across these systems has been a key factor in Sacramento County's progress to date.

SHRA has historically functioned as a public housing and redevelopment agency. The significant expansion of scope envisioned by SB 802 would require operational capacities and programmatic expertise that differ substantially from the agency's traditional role.

Operational Risk: Transferring homeless services coordination to an agency without direct service expertise could disrupt integrated care models.

5. Ongoing Operational Review

In the interest of transparency, the Board notes that in March 2024, we directed staff to engage an outside entity to conduct an independent analysis of SHRA's operations, transparency, and service delivery. This review was initiated to address Board concerns with:

- Stakeholder collaboration processes
- Communication protocols with elected officials
- Fiscal management transparency and program outcome reporting

Given this ongoing review, this Board believes it is premature to consider any significant expansion of responsibilities.

Governance Concern: Expanding an agency's authority while performance concerns remain under review undermines accountability.

Current Local Efforts

Sacramento County remains committed to improving countywide coordination and shared accountability. We are finalizing a new collaborative model with Sacramento City and CoC lead entity, which will be brought before our respective governing bodies this summer. This locally developed model addresses many of the coordination challenges while:

- Preserving compliance with federal regulations,
- Maintaining local accountability structures,
- Building on existing successful partnerships,
- Ensuring continuity of services for vulnerable populations.

Conclusion


SB 802 raises significant legal, operational, and fiscal questions that warrant careful consideration. The bill was introduced without comprehensive stakeholder engagement or analysis of potential impacts on existing services and federal compliance requirements.

If SB 802 passes as written, Sacramento County faces immediate federal compliance violations, \$40 million in active homeless services would be disrupted, thousands of vulnerable individuals could lose housing and shelter, and collaborative progress would be undermined.

SB 802 restructures governance, risks federal funding, and shifts authority to an agency under active review—without resolving the legal and operational concerns outlined above. We remain committed to working collaboratively with the Legislature to develop effective solutions that respect local governance, comply with federal law, and—most importantly—serve the needs of our most vulnerable residents.

For these reasons, the Sacramento County Board of Supervisors urges the Committee to reject SB 802. We welcome the opportunity to discuss our locally developed collaborative approach and how it might inform statewide efforts to address homelessness.

Respectfully,



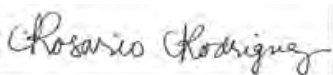
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cc: The Honorable Angelique Ashby
Members, Assembly Housing and Community Development Committee
Members, Assembly Local Government Committee
Sacramento County Delegation
Chair and Members, Board of Supervisors
Mayor and Members, Sacramento City Council
California State Association of Counties
Urban Counties of California
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