

Date of Hearing: June 29, 2016

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

David Chiu, Chair

SB 1380 (Mitchell) – As Amended June 20, 2016

**SENATE VOTE:** 29-7

**SUBJECT:** Homeless Coordinating and Financing Council

**SUMMARY:** Requires a state agency or department that funds, implements, or administers a state program that provides housing or housing-related services to people experiencing homelessness or at risk of homelessness, except as specified, to adopt guidelines and regulations to include Housing First policies and establishes the Homeless Coordinating and Financing Council (Coordinating Council) to oversee implementation of the Housing First regulations and, among other things, identify resources, benefits, and services that can be accessed to prevent and end homelessness in California. Specifically, **this bill:**

- 1) Defines “Housing First” as the evidence-based model that uses housing as a tool, rather than a reward for recovery. It connects homeless people to housing as quickly as possible and does not make housing contingent on participation in services. Housing First includes time-limited rental or services assistance, so long as the housing and service provider assists the recipient in accessing permanent housing and in securing longer-term rental assistance, income assistance, or employment.
- 2) Defines “Core Components of Housing First” to mean all of the following:
  - a) Tenant screening and selection practices that promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services;
  - b) Applicants are not rejected on the basis of poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of “housing readiness;”
  - c) Acceptance of referrals directly from shelters, street outreach, drop-in centers, and other parts of crisis response systems frequented by vulnerable people experiencing homelessness;
  - d) Supportive services that emphasize engagement and problem-solving over therapeutic goals and service plans that are highly tenant-driven without predetermined goals;
  - e) Participation in services or program compliance is not a condition of permanent housing tenancy;
  - f) Tenants have a lease and all the rights and responsibilities of tenancy, as outlined in the Civil Code, Health and Safety Code, and Government codes;
  - g) The use of alcohol or drugs in and of itself, without other lease violations, is not grounds for eviction;

- h) In communities with coordinated assessment with entry systems, incentives for funding promote tenant selection plans for supportive housing that prioritize eligible tenants based on criteria other than “first-come-first-serve,” including, but not limited to, the duration or frequency of homelessness, vulnerability to early mortality, or high utilization of crisis services. Prioritization may include triage tools, developed through local data, to identify high-cost, high-need homeless residents;
  - i) Case managers and service coordinators who are trained in and actively employ evidence-based practices;
  - j) Services are informed by a harm-reduction philosophy that recognizes drug and alcohol use and addiction as part of tenants’ lives, where tenants are engaged in non-judgmental communication regarding drug and alcohol use, and where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, as well as participating in evidence-based treatment if the tenant so chooses; and
  - k) The project and specific apartment may include special features that accommodate disabilities, reduce harm, and promote health and community and independence among tenants.
- 3) Creates the Coordinating Council, which shall have the following goals:
- a) Identify mainstream resources, benefits, and services that can be assessed to prevent and end homelessness in California;
  - b) Create partnerships among state agencies and departments, local government agencies, participants in the U.S Department of Housing and Urban Development (HUD) Continuum of Care Program, federal agencies, the U.S. Interagency Council on Homelessness (US ICH), nonprofit entities working to end homelessness, and the private sector, for purposes of arriving at specific strategies to end homelessness;
  - c) Promote systems integration to increase efficiency and effectiveness;
  - d) Coordinate existing funding and applications for competitive funding. Any action taken shall not restructure or change any existing allocations or allocation formula;
  - e) Make policy and procedural recommendations to legislators and other government entities;
  - f) Identify and seek funding opportunities for state entities that have programs to end homelessness and facilitate and coordinate those state entities’ efforts to obtain funding;
  - g) Broker agreements between state agencies, departments and local jurisdictions to align and coordinate resources, reduce administrative burdens of accessing existing resources, and foster common applications to services, operating, and capital funding;
  - h) Serve as a statewide homelessness planning and policy development resource;
  - i) Report to the Governor, federal Cabinet members, and the Legislature on homelessness and work to reduce homelessness; and

- j) Ensure accountability and results in meeting the strategies and goals of the council.
- 4) Requires the Governor, within 180 days of enacting this bill, to appoint up to 15 members to the Coordinating Council as follows:
- a) A representative from the Department of Housing and Community Development (HCD);
  - b) A representative of the Department of Social Services;
  - c) A representative of the California Housing Finance Agency;
  - d) A representative of the Department of Health Care Services;
  - e) A representative of the Department of Veterans Affairs;
  - f) A representative of the Department of Corrections and Rehabilitation;
  - g) A representative of the Tax Credit Allocation Committee in the State Treasurer's office;
  - h) A homeless person who lives in California to the extent funding is available to pay for travel;
  - i) Two representatives of local agencies or organizations that participate in the HUD Continuum of Care Program;
  - j) State advocates or other members of the public or state agencies, according to the Governor's discretion.
  - k) Two representatives from different stakeholder groups. One selected by the Senate Committee on Rules and the other by the Speaker of the Assembly; and
  - l) The council may, at its discretion, invite stakeholders, individuals who have experienced homelessness, members of philanthropic communities, and experts to participate in meetings or provide information to the council.
- 5) Requires HCD to provide staff for the council.
- 6) Requires agencies and departments administering state programs created on or after July 1, 2017, to collaborate with the Coordinating Council to adopt guidelines and regulations to incorporate core components of Housing First. Additionally, agencies and departments administering state programs in existence prior to July 1, 2017, shall collaborate with the Coordinating Council to adopt guidelines and regulations to incorporate core components of Housing First by July 1, 2019, if the existing guidelines and regulations do not already incorporate the core components of Housing First.
- 7) Defines "state programs" as any programs a California state agency or department funds, implements, or administers for the purpose of providing housing or housing-based services to people experiencing homelessness or at risk of homelessness, with the exception of federally

funded programs with requirements inconsistent with this chapter or programs that fund emergency shelters.

**EXISTING LAW:**

- 1) Defines, in federal statute, the word “homeless” for the purpose of housing assistance, to mean an individual or family who lacks a fixed, regular, and adequate nighttime residence, as specified.
- 2) States legislative findings and declarations about homelessness, the housing shortfall and other related issues.
- 3) Establishes the federal Temporary Assistance for Needy Families (TANF) program, which permits states to implement the program under a state plan.
- 4) Establishes in state law the California Work Opportunity and Responsibility to Kids (CalWORKs) program to provide cash assistance and other social services for low-income families through the TANF program. Under CalWORKs, each county provides assistance through a combination of state, county and federal TANF funds.

**FISCAL EFFECT:** According to the Senate Committee on Appropriations:

- Coordinating Council: One-time and ongoing costs potentially in excess of \$200,000 (General Fund) to the HCD to staff and facilitate meetings, as well as collaborate with agencies on activities as outlined under the listed goals of the council. The costs for a representative of HCD to participate in council meetings are estimated to be minor.
- Department of Social Services (DSS): Minor costs to participate on the council. Potentially significant workload (General Fund) to review existing housing assistance programs to ensure compliance with the core components of the Housing First model.
- Department of Veterans Affairs (DVA): Minor costs to participate on the council. No significant impact to existing housing programs, as they currently adhere to the core components of the Housing First model.
- CDCR: Potentially significant impacts (General Fund) to the Division of Adult Parole Operations to the extent specific components of the Housing First model are inconsistent with current policy and practices utilized for parolee services.
- State Treasurer’s Office (STO): Minor costs of less than \$10,000 (General Fund) to have a representative participate on the council.
- Compliance with Housing First components: Unknown, potentially significant costs to DSS and CDCR to bring existing housing and housing-related assistance programs into compliance with the Housing First core components including but not limited to the component specifying case managers and service coordinators who are trained in and actively employ evidence-based practices

**COMMENTS:**

California is home to 21% of the nation's homeless population. On average on any given night, 115,738 people experience homelessness. California leads the nation in the number of chronic homeless with 29,178 chronically homeless residents at any given point in time which is 31% of

the nation's total. California also has 28% of the nation's homeless youth population. The state has a variety of programs to address homelessness operated by multiple agencies and departments, including the Veterans Housing and Homeless Prevention Program, the CalWorks Housing Program, the Mental Health Services Act, the and Multi-family Housing Program with Supportive Services.

In 2005, Governor Arnold Schwarzenegger launched his Chronic Homeless Initiative which included the creation of an Interagency Council comprised of the leaders of eleven agencies and departments with responsibility for housing and services for citizens who are at risk of or already chronically homeless. The Interagency Council initiated the process of a collaboratively developed Ten Year Chronic Homelessness Action Plan and created a Vision Statement and Guiding Principles. The plan was not formally adopted until 2010 and has not been the guiding policy document envisioned at the time. The interagency council was not created by statute leaving no formal process for state agencies and departments to coordinate efforts to address homelessness. In 2013, HCD participated in a federally funded Policy Academy to reduce the rate of chronic homelessness in participating states through a cross-agency federal effort to provide intensive, targeted technical assistance to state teams. The Policy Academy succeeded in revising HCD's programs and in developing greater collaboration with the State Department of Health Care Services.

According to the Corporation for Supportive Housing, over 20 other states have interagency councils on homelessness. This bill proposes to create an interagency council to coordinate state resources to address homelessness. HCD would provide staff to the interagency council.

Coordination of local, state and federal resources: HUD and other planners and policymakers use aggregate Homelessness Management Information Systems (HMIS) data to better inform homeless policy and decision making at the federal, state, and local levels. HMIS enables HUD to collect national-level data on the extent and nature of homelessness over time. Specifically, an HMIS can be used to produce an unduplicated count of homeless persons, understand patterns of service use, and measure the effectiveness of homeless programs. Data on homeless persons is collected and maintained at the local level. This data would be useful at the state level to coordinate programs across agencies that serve homeless clients including CalWORKS and Medi-Cal. The committee may wish to consider setting as a goal of the Interagency Council the creation of a statewide data system or warehouse that collects local data through HMIS, with the ultimate goal of matching data on homelessness to programs impacting homeless recipients of state programs, such as Medi-Cal and CalWORKS.

Housing First Approach: Housing First is an evidence-based housing model that centers on providing people experiencing homelessness with housing as quickly as possible and then providing services as needed. A core component of Housing First includes a tenant screening process that promotes accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services. This model recognizes that an individual experiencing homelessness should be provided shelter and stability before underlying issues can be successfully tackled. The housing first model is contrasted with a model known as "housing readiness," which is exhibited in some transitional housing models. This model requires homeless people to earn their way into transitional housing and make progress on certain goals; when they are deemed well enough; they earn their spot in permanent housing. The Federal government through the leadership of the US Interagency Council of Homelessness has successfully integrated the housing first approach into programs at the federal level.

Purpose of this bill: According to the author, "Homelessness affects multiple systems in California, and a state as large, diverse, and complex as California requires a coordinating body that would allow our State agencies to maximize federal funding, leverage local dollars, and ensure programs touching homeless Californians are as effective as possible. California has several programs designed to fund housing for our homeless residents, but has no coordinated plan or program to address homelessness systematically. In fact, our programs promote policies at odds with each other, some funding evidence-based housing programs while others fund programs not effectively addressing homelessness. While almost every state with a large homeless population has an interagency council on homelessness, California does not have any coordinating body that fosters collaboration among the state agencies homelessness impacts, or with local governments dealing with homelessness on the ground. SB 1380 would require programs funding housing for homeless residents to use evidence-based practices recognized and adopted throughout all federal agencies by July 1, 2019. "Housing First" is the only evidence-based model proven to reduce homelessness, prevent returns to homelessness, and decrease public expenditures. While allowing for transitional housing for populations for whom transitional housing makes sense, the Housing First provisions of SB 1380 promote practices that work."

Committee amendments:

On page 7, strike out lines 3 and 4 and insert, "A formerly homeless person who lives in California."

On page 6, after line 30, insert the following: "To create a statewide data system or warehouse that collects local data through Homeless Management Information Systems, with the ultimate goal of matching data on homelessness to programs impacting homeless recipients of state programs, such as Medi-Cal and CalWORKS."

Related legislation:

AB 2821 (Chiu) would create the Medi-Cal Housing Program to fund rental assistance for homeless Medi-Cal recipients receiving services through the Whole Person Care Pilot program authorized by the 2016 1115 Medi-Cal Waiver. *This bill is pending in Senate Transportation and Housing Committee.*

AB 998 (Fong, 2013) — would have created the California Interagency Council on Homelessness and required various state agencies to meet quarterly to coordinate efforts on homelessness. *This bill died on suspense in the Assembly Appropriations Committee.*

AB 1167 (Fong, 2011) — would have created a state Interagency Council on Homelessness, with specified membership and duties. *This bill died in the Senate Appropriations Committee.*

AB 1875 (Fong, 2009) — would have created a state Interagency Council on Homelessness, with specified membership and duties. *This bill died in the Assembly Business, Professions and Consumer Protections Committee.*

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Coalition for Youth  
CaliforniaHealth+ Advocates  
City of Riverside  
Corporation for Supportive Housing  
County Health Executives Association of California  
Health Officers Association of California  
Rural County Representatives of California  
Santa Clara County Board of Supervisors

**Opposition**

None on file

**Analysis Prepared by:** Lisa Engel / H. & C.D. / (916) 319-2085