

Date of Hearing: May 20, 2020

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

David Chiu, Chair

AB 3300 (Santiago) – As Amended May 4, 2020

SUBJECT: Homelessness: California Access to Housing and Services Act.

SUMMARY: Establishes the California Access to Housing Fund (the Fund) and appropriates \$2 billion each year to the Fund to address homelessness. Specifically, **this bill:**

- 1) Requires the Department of Housing and Community Development (HCD) and the Department of Social Services (DSS) to work collaboratively to administer the Fund.
- 2) Requires the Fund to be allocated as follows:
 - a) Fifty-five percent to counties and continuums of care (CoC) applying jointly through flexible pools or other mechanisms for coordinating existing and new funding for housing and services;
 - b) Forty percent of the amount described in this paragraph to large cities for various uses including: operating reserves, capital for hotel and motel conversion, and rental assistance for permanent housing; and
 - c) Five percent of the amount described in this paragraph to developers operating in unincorporated areas and cities that are ineligible for an allocation under subparagraph (B), pursuant to Section 13058.
- 3) Requires counties and CoCs to provide a 25 percent match to a grant from the Fund from a private, local, state, and federal sources including an in-kind match.
- 4) Requires grant recipients to report the following information to the departments:
 - a) The amount of fund moneys expended on each eligible activity;
 - b) The number of individuals and households served by each funded activity described in paragraph;
 - c) The number of unsheltered and sheltered persons served by the, the average length of time that each person was homeless during their most recent episode of homelessness before being permanently housed, and the average length of time that each person spent receiving an interim intervention in each episode of homelessness;
 - d) The number of persons moved from homelessness to permanent housing through the fund;
 - e) The number of persons exiting the program and the reason for each exit, specifically including any returns to homelessness or exits to other social safety net programs, including, but not limited to, programs that fund permanent housing;

- f) The total number of participants currently residing in permanent housing at the time the report is submitted;
 - g) Whether, and how many, participants were referred to permanent housing from a coordinated entry system and any training or capacity building programs that the recipient is using to improve the coordinated entry system; and
 - h) The demographics of participants served by the recipient, including, but not limited to, age, race, ethnicity, sexual orientation, gender, chronically homeless status, and family status.
- 5) Requires the HCD and DSS, in consultation with the Homeless Coordinating and Financing Council and stakeholders working to solve homelessness, develop metrics that recipients shall be required to meet in order to continue to receive funding
- 6) Requires HCD to provide grants to developers in unincorporated areas and cities that are not large cities through a competitive process.

EXISTING LAW:

- 1) Established the Homeless Emergency Aid Program that provided a one-time \$500 million block grant to big cities and homeless Continuums of Care (CoCs) that demonstrated regional coordination (Health and Safety Code Section 50211).
- 2) Established the Homeless Housing Assistance and Prevention program that provided a one-time \$650 million grant to big cities, counties, and homeless CoCs to help address their immediate homeless challenges (Health and Safety Code Section 50217).

FISCAL EFFECT: Unknown.

COMMENTS:

Author's statement: According to the author, "California is facing a crisis that can no longer be ignored or addressed with piecemeal solutions. It is time to act with urgency and deliver historic investments to help the thousands of families and individuals facing homelessness. In fact, due to COVID-18 California will most likely see an increase of homelessness or be required to maintain housing for those housed during the pandemic. If we were in a homelessness crisis before COVID-19, we will definitely be in a crisis after. Ongoing historic levels of funding is now more necessary than before. AB 3300 would appropriate \$2 billion in ongoing funding to big cities, counties and homeless Continuums of Care and affordable housing developers to expedite the delivery of homeless housing, rental and housing assistance, and life-saving services."

Background: In 2019, on a single night in January, 151,278 people experienced homelessness in California. California has twenty-four percent of the people in the nation experiencing homelessness. Nearly half of all unsheltered people in the country were in California. The number of people experiencing homelessness increased by 17 percent from 2018 to 2019.

The homeless crisis is driven by the lack of affordable rental housing for lower income people. In the current market, 2.2 million extremely low-income and very low-income renter households

are competing for 664,000 affordable rental units. Of the six million renter households in the state, 1.7 million are paying more than 50% of their income toward rent. The National Low Income Housing Coalition estimates that the state needs an additional 1.5 million housing units affordable to very-low income Californians.

In 2018, the budget included \$500 million for the Homeless Emergency Assistance Program (HEAP) to provide localities with flexible block grant funds to address their immediate homelessness challenges. The HCFC was tasked with distributing HEAP. Funding can be used for emergency housing vouchers, rapid re-housing, construction of emergency shelters, among other uses. In 2019, the HCFC was allocated \$650 million for the Homelessness Housing, Assistance, and Prevention Program (HHAP) to distribute to local governments – CoCs, counties, and large cities to respond to homelessness. HHAP is similar to HEAP but provides more specificity on how local governments must spending funding and moves away from a priority for emergency shelters and toward permanent housing solutions.

Governor's California Access to Housing Fund: In his January budget, Governor Newsom proposed creating a California Access to Housing Fund. According to the proposal:

“The Budget includes \$750 million one-time General Fund to establish the California Access to Housing and Services Fund that will be administered by the state's Department of Social Services. The primary goals of the proposed Fund are to reduce homelessness by moving individuals and families into stable housing, and to increase the number of units available as a stable housing option for individuals and families who are homeless or at risk of becoming homeless. This approach represents a radical shift in the state's involvement to house the many unsheltered persons in California.

The Fund will flow through performance-based contracts between the state and regional administrators and will be subject to a 10-percent administrative cap. Regional administrators will provide short- and long-term rental subsidies, make small and medium-sized contributions to encourage development of new units in exchange for a rental credit, and stabilize board and care facilities by funding capital projects and/or operating subsidies. The Fund will also be used to engage with landlords to secure units and negotiate individual client leases, provide tenancy support services, and coordinate case management with counties for those receiving rental subsidies to ensure they are enrolled in eligible public assistance programs. To the extent feasible, state funding will be coupled with the use of state properties to expedite the development of more affordable and supportive housing. The Fund will also enable regional partners to pool federal, state, local, and private funds to stabilize the housing circumstances of the state's most vulnerable populations. Several jurisdictions, including Los Angeles, Santa Barbara, and Berkeley, have a similar fund where administrators leverage dollars to connect people to housing, provide financial supports to keep people in their homes, and increase affordable housing capacity.”

Arguments in support: According to sponsor, The Los Angeles County Board of Supervisors, “AB 3300 is the legislative policy vehicle for the \$2.0 billion State Budget Proposal for homelessness funding co-sponsored by the County, the City of Los Angeles, Santa Clara County, the Los Angeles Homeless Services Authority, the City of Riverside, the Corporation for Supportive Housing, Housing California, and the United Way of Greater Los Angeles. AB 3300 would appropriate \$2.0 billion in on-going State General Fund to cities, counties and homeless Continuums of Care, and affordable housing developers to expedite the delivery of homeless and

affordable housing, rental and housing assistance, and wrap-around services. Specifically, the bill would distribute the funding as follows: 1) \$1.1 billion for counties and Continuums of Care to promote local flexible pools for housing and service, such as rental and housing assistance, landlord incentives, temporary housing assistance, including, but not limited to, emergency shelters, motel vouchers, and navigation centers, and subsidies and leasing activities for permanent supportive housing; 2) \$800.0 million for cities with a population of at least 300,000 to use to subsidize housing opportunities and expand emergency shelters, interim housing, permanent supportive housing, affordable housing, and motel conversions; and 3) \$100.0 million for nonprofit housing developers for purposes of capital development of affordable housing, permanent supportive housing, and motel conversions for affordable or supportive housing, and for purposes of operating subsidies in existing or new affordable or supportive housing projects. The funding would be allocated based on the 2019 Homeless Point-in-Time Count and the severe housing cost burden among households in a jurisdiction. Los Angeles County's Homeless Initiative (HI) reports that the State's approach of approving one-time investments provides only limited, temporary help, which is insufficient to address critical on-going funding gaps. In addition, one-time State grant funding allocated each year with different requirements is inadequate to nurture the comprehensive strategic regional approach necessary across our entire Los Angeles County geography. AB 3300 would put California on a sustainable, coordinated, long-term strategic path towards solving homelessness by proposing the scale of investment needed, and making a commitment to continue that investment over time. The bill would also build upon efforts by counties, CoCs and large cities in coordinating evidence-based, locally-driven solutions to provide housing and services, which resulted in moving tens of thousands of Californians experiencing homelessness into homes last year."

REGISTERED SUPPORT / OPPOSITION:

Support

California Housing Partnership Corporation (Co-Sponsor)
County of Los Angeles Board of Supervisors (Co-Sponsor)
Mayor Eric Garcetti, City of Los Angeles (Co-Sponsor)
Aids Healthcare Foundation
California Association of Veteran Service Agencies
California YIMBY
City of Los Angeles
Corporation for Supportive Housing
County of Los Angeles
East Bay Asian Local Development Corporation
East Bay Housing Organizations
Facebook
GLIDE
Housing California
Los Angeles Homeless Services Authority
National Association of Social Workers, California Chapter
Non-Profit Housing Association of Northern California
San Francisco Foundation
Silicon Valley At Home (SV@HOME)
Silicon Valley Community Foundation

TechEquity Collaborative
Working Partnerships USA
11 Individuals

Opposition

None on file

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