

Date of Hearing: April 25, 2018

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

David Chiu, Chair

AB 3085 (Calderon) – As Amended March 19, 2018

SUBJECT: Homelessness: New Beginnings California Program

SUMMARY: Establishes the New Beginnings California Program (Program) to provide matching funds to cities to implement, expand, or continue employment programs for homeless individuals. Specifically, **this bill:**

- 1) Establishes the Program in the Department of Community Services and Development (CSD) to allocate an unspecified amount of funds to cities to implement, expand, or continue employment programs for homeless individuals.
- 2) Provides that a city is eligible to receive grants from the Program if its homeless employment programs meets all of the following requirements:
 - a) Connects homeless individuals with work opportunities. Employment offered through a program may be with the city, a contracted service provider, or a private entity that chooses to participate in the employment program;
 - b) Program participants are paid an hourly wage that is at or above minimum wage;
 - c) Connects program participants with shelter and other local services; and
 - d) Assists individuals who are not yet ready for employment with services and resources that will enable them to be prepared to work as soon as feasible.
- 3) Authorizes a city to contract with a service provider to implement a homeless employment program if the program meets the requirements of 2).
- 4) Requires a city to match a grant funded from the Program and allows the match to come from another grant or a charitable contribution.
- 5) Requires CSD to submit a report to the Legislature on the status of the grant program by no later than January 1, 2022 that includes, at a minimum, information regarding the implementation of the grant program and recommendations regarding how to improve the program.
- 6) Appropriates an unspecified amount from the General Fund to the New Beginnings California Account.
- 7) Sets a maximum amount that each city can receive from the Program, the amount of which is unspecified.
- 8) Makes funds available for the Program until the 2023-24 fiscal year.

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) 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.
- 3) Defines “supportive housing” as housing with no limit on length of stay, that is occupied by a target population, as defined, and that is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.
- 4) Creates the Homeless Coordinating and Financing Council (Council), with the goals of:
 - a) Identifying mainstream resources, benefits, and services that can be assessed to prevent and end homelessness in California;
 - b) Creating 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) Promoting systems integration to increase efficiency and effectiveness;
 - d) Coordinating existing funding and applications for competitive funding. Any action taken shall not restructure or change any existing allocations or allocation formula;
 - e) Making policy and procedural recommendations to legislators and other government entities;
 - f) Identifying 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) Brokering 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) Serving as a statewide homelessness planning and policy development resource;
 - i) Reporting to the Governor, federal Cabinet members, and the Legislature on homelessness and work to reduce homelessness; and
 - j) Ensuring accountability and results in meeting the strategies and goals of the council.

- 5) Establishes the California Emergency Solutions Grants Program, administered by the Department of Housing and Community Development (HCD), to fund activities that address the needs of homeless individuals and families and assist them to regain stability in permanent housing as quickly as possible. Permissible uses of funding include:
- a) Engaging homeless individuals and families living on the street;
 - b) Operating homeless shelters and providing essential services to shelter residents;
 - c) Rapid rehousing programs; and
 - d) Prevention efforts for families and individuals at risk of homelessness.

FISCAL EFFECT: Unknown.

COMMENTS:

Background: California is facing a homelessness crisis. Our state is home to 25% of our nation's homeless population, 42% of our nation's chronically homeless, and 38% of the nation's unaccompanied homeless youth population. On average on any given night, 134,278 people experience homelessness in our state—the vast majority of whom are unsheltered (68%). Already home to the largest homeless population in the country, from 2016 to 2017 California experienced the largest increase in the number of residents experiencing homelessness – over 16,000 individuals.¹ Virtually every community in the state has been impacted. San Diego and Los Angeles have experienced deadly Hepatitis A outbreaks and the American River has been contaminated with E. coli. Wildfires across the state have exacerbated homelessness.

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 can earn their spot in permanent housing. The federal government, through the leadership of the US ICH and HUD, has successfully integrated the Housing First approach into programs at the federal level.

Since adopting that model, chronic homelessness decreased by 27% from 2010-2016. In 2015, California embraced a Housing First model. SB 1380 (Mitchell) Chapter 847 requires all state agencies or departments that operate programs that provide housing or housing-related services to people experiencing homelessness or at risk of homelessness to adopt guidelines and regulations to include Housing First policies.

¹ Meghan Henry et al., “The 2017 Annual Homeless Assessment Report (AHAR) to Congress” (U.S. Department of Housing and Urban Development, December 2017).

Status of California's homelessness efforts: 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 Multifamily Housing Program with Supportive Services. In 2016 the Legislature passed No Place Like Home, creating \$2 billion in new funding for construction of supportive housing units. No Place Like Home required the court validate the program and will likely not be available until sometime in 2019. On the November 2018 ballot, voters will consider approving a \$4 billion bond to fund affordable housing that includes \$1.5 billion for affordable housing developments. SB 2 (Atkins, Statutes of 2017, Chapter 364) will generate ongoing funding for affordable housing, including funding in the first year to address homelessness.

Additionally, in 2016, the state created the Homeless Coordinating and Financing Council (SB 1380, Mitchell, Chapter 847, Statutes of 2016) to better coordinate the state's response to homelessness, oversee implementation of Housing First regulations in all state housing and homelessness programs, and identify resources, benefits, and services for preventing and ending homelessness. The Council is made up of all state departments and agencies that provide housing or housing-based services to people experiencing homelessness or at risk of homelessness.

Support if amended: Groups representing counties request that the author include counties as well as cities as eligible recipients of the funding. Counties provide core services needed to address homelessness, including food benefits, housing assistance, behavioral health services, shelter and health care to people experiencing homelessness. Further, under the Continuum of Care (CoC) Program many of the allocations are shared between cities and counties.

Committee amendment:

- To ensure that this program reflects the state's commitment to the Housing First model, the committee may wish to consider requiring participants in the Program to be living in supportive housing in order to receive employment assistance.
- The committee may wish to clarify that the match required from this program cannot come from any source already available to the city to address homelessness, including, but not limited to, all local, federal, and state funding sources.
- Allow a city, a county, or a CoC to apply for the Program.

REGISTERED SUPPORT / OPPOSITION:

Support

California State Association of Counties (support if amended)
 California State Association of Public Administrators, Public Guardians and Public Conservators (support if amended)
 County Behavioral Health Directors Association (support if amended)
 County Health Executives Association of California (support if amended)
 National Association of Social Workers, California Chapter
 Northern Santa Barbara County United Way
 Orange County United Way
 Rural County Representatives of California (support if amended)

United Way of San Luis Obispo County
United Ways of California
Urban Counties of California (support if amended)

Opposition

None on file

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