

Date of Hearing: June 29, 2016

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

David Chiu, Chair

SB 384 (Leyva) – As Amended June 21, 2016

**SENATE VOTE:** 38-0

**SUBJECT:** Veteran housing: multifamily units: underserved veterans

**SUMMARY:** Requires that a percentage of state bond funds allocated annually for purposes of the Veterans Housing and Homeless Prevention (VHHP) Act of 2014 be reserved for housing underserved veterans. Specifically, **this bill:**

- 1) Requires that, for all multifamily housing units acquired, constructed, rehabilitated, or preserved on or after January 1, 2017, for the purpose of housing veterans, a percentage of VHHP funds must be reserved for housing for underserved veterans.
- 2) Provides that the percentage reserved for underserved veterans shall be determined annually by the California Department of Veterans Affairs (CalVet), the California Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA), in consultation with the appropriate local agencies, with the first determination to be made on July 1, 2017, and thereafter each year on July 1.
- 3) Defines “underserved veterans” as those veterans either experiencing or at risk of experiencing homelessness at a disproportionate rate to their veteran or nonveteran counterparts, as determined by the most recent United States Department of Housing and Urban Development Annual Homeless Assessment Report (AHAR) that includes an assessment of veteran homelessness, or other similar source CalVet, HCD, and CalHFA deem appropriate.
- 4) Provides that if there are insufficient applications for proposed housing projects for underserved veterans, as specified, the reserved funding shall revert back to the Housing for Veterans Fund and be available for other purposes authorized by the VHHP.

**EXISTING LAW:**

- 1) Establishes the VHHP, an initiative measure enacted by the voters as Proposition 41 at the June 3, 2014, primary election, authorizing \$600 million in bonds for the acquisition, construction, rehabilitation, and preservation of affordable multifamily supportive housing, affordable multifamily transitional housing, or related facilities for veterans and their families (Military and Veterans Code Section 998.540, et seq.).
- 2) Requires CalVet, HCD, and CalHFA to work collaboratively to carry out the duties and functions of the VHHP (Military and Veterans Code Section 987.002).
- 3) Requires the VHHP to do the following:
  - a) Leverage public, private, and nonprofit funding sources.

- b) Prioritize projects that combine housing and supportive services, including but not limited to: job training, mental health, drug treatment, case management, care coordination, or physical rehabilitation.
- c) Ensure that program guidelines and terms provide requirements or scoring criteria to advance applicants that combine permanent or transitional housing, or both, with supportive services for veterans, or for partnering with housing developers or service providers that offer housing or services to veterans.

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

- 1) Estimated CalVet costs of approximately \$206,000 annually for two PY of staff to establish the program, annually determine the underserved veteran population, consult with local agencies, and determine the percentage to reserve for these purposes (Housing for Veterans Fund).
- 2) Unknown costs to HCD and CalHFA, likely less than \$50,000, to revise existing VHHP guidelines (Housing for Veterans Fund).
- 3) Potential delays in the allocation of VHHP bond revenues for projects that qualify for funding under the current program guidelines. This would occur when there are insufficient applicants to fully allocate reserved funds, in which case the funds would revert back to the Housing for Veterans Fund for other authorized VHHP purposes.

**COMMENTS:**

The VHHP:

AB 639 (Perez), Chapter 727, Statutes of 2013, established the VHHP, an initiative enacted by the voters as Proposition 41 at the June 3, 2014 primary election. The VHHP restructures \$600 million of the \$900 million in bonds approved by the voters for the CalVet Home Loan Program in 2008 and uses them instead to fund the acquisition, construction, rehabilitation, and preservation of affordable multifamily supportive housing, affordable multifamily transitional housing, or related facilities for veterans and their families.

The VHHP tasks CalVet, CalHFA, and HCD with collaboratively administering the program and explicitly restricts the use of bond proceeds to those housing units designated for veterans and their families. The focus of the program is on housing for veterans who are homeless or at risk for homelessness and in need of services such as mental health counseling, substance abuse treatment, job training, and physical therapy to address injuries. HCD released the first VHHP Program Notice of Funding Availability (NOFA) in February 2015, announcing the availability of approximately \$75 million in VHHP funding. In June 2015, the administering departments awarded approximately \$63 million to 17 approved projects.

The departments solicited public stakeholder input to identify lessons learned during the first round. In October 2015, in response to that feedback, the departments revised their guidelines. The application window for the second NOFA, which announced a funding availability of \$75 million and incorporated the revised guidelines, closed in mid-December 2015. In April 2016, the administering departments awarded approximately \$116 million to 28 approved projects. As

of June 2016, a total of 31% of VHHP funds have been awarded, with \$390,718,638 in funding remaining.

Need for the bill: According to the author:

"California is home to over 1.8 million veterans. Women comprise 10% of the state's veteran population making it the second largest population of women veterans in the nation, behind Texas. By 2030, the population is expected to be 15%.

"Veterans returning home from military service represent an extremely vulnerable population. Many lack a supportive family network when they return home and have physical/psychological injuries related to their service. The US Department of Veterans Affairs estimates that 1 in 5 women have experienced sexual assault or harassment while serving in the military.

"California's vulnerable veteran population is more likely to face homelessness due to a significant lack of affordable housing, livable wage and access to necessary health care services. A recent report by the Government Accountability Office (GAO) found that women veterans identifying themselves as homeless more than doubled, increasing by more than 140% from 2006 to 2010. During the same time frame, there was a 45% increase in homelessness for male veterans.

"For female veterans, especially those who have suffered from military sexual trauma, living in a housing facility that houses mainly men poses serious safety and health risks. Women do not feel comfortable or safe in these facilities. Most (about 60%) of transitional housing facilities do not allow young children. This limitation, combined with the safety risks of living in male dominated facilities, makes finding housing for female veterans with children nearly impossible.

"SB 384 seeks to eliminate some of these barriers by ensuring that funding is available for housing for underserved veterans – allowing construction of facilities that serve this vulnerable population.

Unique needs of female veterans: According to CalVet, female veterans make up 10% of all veterans nationwide, and 11% of all veterans in California. There are higher rates of physical and mental health problems (such as Military Sexual Trauma (MST) and substance abuse) among female veterans that can be linked to an overall increase in unemployment and homelessness. Female veterans also experience barriers to receiving and utilizing standard veterans benefits.

The 2011 California Women Veteran survey found that a majority of female veterans do not self-identify as veterans, and have a higher rate of underutilizing their veterans benefits or participating in veterans organizations. The survey also found that women veterans were more likely to have children or dependents with them, and were not likely to use the Department of Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) program due to substandard housing conditions and/or a failure to allow dependents.

A 2013 memorandum from the Women's Law Center provides empirical support for sex-segregation in veteran-only housing facilities. It identifies homeless women veterans as a high-risk, special needs group based on their "significant history of multiple traumas" such as MST. Women veterans, especially those who have experienced MST and domestic violence, report feeling safer in a female-only environment. Women veterans with Post-Traumatic Stress Disorder report that "women-centered treatment was the most important factor contributing to their comfort with VA services."

Already allowed under existing law? The author points to the importance of meeting the needs of underserved veterans, but there is nothing under the current VHHP program guidelines that would prevent the administering agencies from awarding funds to projects that serve these subpopulations, including women veterans. Program guidelines already include scoring criteria to prioritize projects that combine housing and supportive services, such as job training, mental health, drug treatment, case management, care coordination, or physical rehabilitation.

While there is no mention of "underserved" populations in the program guidelines, it does address "vulnerable" populations. Section 116 of the guidelines is entitled "Vulnerable Populations Best Practices" and indicates best practices for developers who seek participation in the VHHP. According to the guidelines, "veterans experiencing low income or homelessness are already vulnerable and within this population there are those still more vulnerable than others, such as children, elderly, and/or persons with a history of trauma (e.g. MST, domestic violence)." The guidelines go on to provide best practices for developments that serve these populations.

Definition of "underserved": The bill defines "underserved veterans" as those veterans either experiencing or at risk of experiencing homelessness at a disproportionate rate to their veteran or nonveteran counterparts, as determined by the most recent United States Department of Housing and Urban Development Annual Homeless Assessment Report (AHAR) that includes an assessment of veteran homelessness, or another similar source CalVet, HCD, and CalHFA deem appropriate. This is a vague definition and provides broad discretion to the agencies to annually set-aside funding for as-yet-unknown veteran subpopulations.

Guideline revision as an option? In October 2015, in response to public stakeholder feedback, the administering departments revised the VHHP guidelines. If clarity on how to best serve underserved veterans is needed, then revising the guidelines could be an option and would likely involve more input from stakeholders.

#### Related legislation:

AB 639 (Perez), Chapter 727, Statutes of 2013: Established the VHHP, an initiative enacted by the voters as Proposition 41 at the June 3, 2014 primary election.

SB 689 (Huff, 2015): Would require state agencies to prioritize projects under the VHHP that, for the purposes of providing mental health and drug services, either: 1) accept only residents that are prequalified to receive services from the US Department of Veterans Affairs (VA), or 2) if they accept residents who receive services from agencies other than the VA, employ on staff or contract for a qualified mental health professional with at least two years' full-time relevant experience providing services to veterans. This bill died in the Senate Transportation and Housing Committee.

AB 253 (Hernández): Would require state agencies to give a preference to applicants for funding under the VHHP that demonstrate a multiyear commitment of Mental Health Services Act Funding for the applicant's project funding plan. This bill is currently in the Senate Transportation and Housing Committee.

SB 866 (Roth): Authorizes a housing developer or service provider that receives bond moneys under the VHHP to provide housing or services to veterans and their children in women-only facilities in limited instances, as specified. This bill is awaiting hearing in the Assembly Committee on Veterans Affairs.

Double-referred: This bill was also referred to the Committee on Veterans Affairs, where it passed 8-0 on June 14, 2016.

Committee amendments: The Committee may wish to consider the following technical, clarifying amendments:

On page 2, in line 9 after "department" add:

,the California Housing Finance Agency, and the Department of Housing and Community Development collectively and

On page 2, lines 16-17, strike:

,November 2015,

On page 2, line 26, strike 998.44 and add 998.544

On page 2, strike lines 29 through 31 and on page 3, strike lines 1-3 and add:

be made using the most recent determination of underserved veterans made pursuant to subdivision (b).

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

American Legion, Department of California  
 AMVETS, Department of California  
 California Association of County Veterans Service Officers  
 California State Commanders Veteran Council  
 California Women's Law Center  
 Military Officers Association of America - California Council of Chapters  
 National Association of Social Workers, California Chapter  
 Veterans of Foreign Wars - Department of California  
 Vietnam Veterans of America, California State Council

### **Opposition**

None on file

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