

Date of Hearing: June 27, 2018

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

David Chiu, Chair

SB 792 (Wilk) – As Amended May 25, 2018

SENATE VOTE: Not relevant

SUBJECT: Homeless Coordinating and Financing Council

SUMMARY: Assigns additional duties to the Homeless Coordinating and Financing Council (Council). Specifically, **this bill:**

- 1) Requires the Council, by July 1, 2019, to develop and implement a statewide strategic plan (plan) for addressing homeless in the state.
- 2) Requires the plan to include goals and objectives, timelines for achieving them, and metrics for measuring achievements.
- 3) Requires the Council to identify additional funding sources that the state and local agencies can use to better address homelessness issues in the state.
- 4) Requires the Council, by January 1, 2020 to implement strategic plans to assist the federal Department of Housing and Urban Development (HUD) Continuum of Care (CoC) lead agencies to do either or both of the following:
 - a) Better implement HUD recommended activities including conducting annual counts of the unsheltered homeless population, opportunities to raise nonfederal funding, and coordinating with other agencies.
 - b) Better meet HUD requirements including implementing Homeless Management Information Systems.
- 5) Require the Council to include among its considerations the establishment of a balance of state CoC to help alleviate the administrative burdens imposed on CoC lead agencies especially in rural areas.

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.

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 formerly 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.

FISCAL EFFECT: Unknown.

COMMENTS:

Homelessness in California: California is facing an affordable housing and homelessness crisis. In 2017, based on local point in time counts (PIT), 134,000 people are homeless in California on any given night. 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 nationwide – over 16,000 individuals. California accounted for nearly half of all unsheltered people in the country in 2017 (49% or 91,642 people). The City and County of Los Angeles have the highest number of homeless people in the state with 55,188 people. Nearly one of every four people experiencing homelessness did so in New York City or Los Angeles. Of those experiencing homelessness in Los Angeles, only 25% were sheltered in 2017.

Nationwide, the number of people experiencing homelessness increased in major cities and decreased elsewhere between 2016 and 2017. The number of people experiencing homelessness in major cities increased by just over 5% between 2016 and 2017, driving the increase in homelessness nationwide. More specifically, increases in unsheltered homelessness in major cities drove the national increase with 17,139 more unsheltered people.

Housing First and the Homeless Coordinating and Financing Council: Housing First approaches homelessness by providing permanent, affordable housing for families and individuals, and then providing supportive services in order to help people avoid returning to homelessness. Housing First is premised on the idea that housing should not be denied to anyone, even if they are abusing alcohol or other substances. Under Housing First, supportive services are offered to maximize housing stability and prevent returns to homelessness, as opposed to addressing predetermined treatment goals prior to providing housing. Housing First has been shown to

reduce the overall local costs incurred when localities provide social services to people where they are, rather than allowing them to continue to cycle through emergency rooms, jails, and treatment centers.

The federal government has moved to a Housing First model over the last decade that prioritizes permanent supportive housing. Chronic homelessness in the nation decreased by 27% between 2010-2016 after our federal response adopted the Housing First model. California embraced a Housing First model in 2015. SB 1380 (Mitchell), Chapter 847, which created the Homeless Coordinating and Financing Council (Council) to coordinate the state's response to homelessness, 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. The Council was tasked with a list of goals including:

This year's budget moved the Council under the Business, Consumer Services, and Housing Agency, authorized the creation of an Executive Director to oversee the Council as well as several staff members. The Council is also responsible for distributing approximately \$500 million to local CoCs to address homelessness that was included in this year's budget.

State Auditor report: In April of this year, the State Auditor released *Homelessness in California: State Government and the Los Angeles Homeless Services Authority Need to Strengthen Their Efforts to Address Homelessness* and made several recommendations to improve the state's response to homelessness. Recommendations include:

- Provide statewide leadership to agencies at all levels to improve coordination of efforts to address homelessness and provide funding for CoCs and the state homeless council.
- Require the state homeless council to implement a statewide strategic plan, and implement steps to assist CoC lead agencies to meet federal requirements and recommended activities.

Purpose of this bill: This bill would implement the recommendations of the State Auditor and would require the Council to develop a strategic plan and determine if the state should develop a balance of state CoC.

Balance of state CoC: To address homelessness at a local level, California currently has 43 CoC areas that cover the entire state. The auditor surveyed the lead agencies for the CoC areas to obtain some perspective related to best practices of homeless services across the State. Lead agencies in each CoC area are responsible for planning the administration of homeless services. The CoC lead agencies indicated a need for additional resources and direction from the State. Specifically, lead agencies reported that they lacked funding, staff, and other resources to implement HUD-recommended activities such as conducting annual counts of unsheltered homeless, raising funds from nonfederal sources, and coordinating with other homeless service agencies. Rural CoC lead agencies also reported difficulties in implementing HUD requirements related to developing a coordinated entry system (entry system) and administering their Homeless Management Information Systems (HMIS).

This bill proposes the creation of a balance of state CoC. According to the audit, "at the moment, lead agencies for each CoC area are responsible for planning and administering homeless

services within their geographic area. In contrast to this structure, more than 30 states have a *balance-of-state CoC area*, which can consist of multiple rural counties, and thus can maximize the funding potential and take advantage of economies of scale for large geographic areas. For instance, Nevada has a balance-of-state CoC area for those parts of the state outside of the Las Vegas/Clark County and Reno/Sparks/Washoe County CoC areas. For 2016 HUD awarded the Nevada balance-of-state CoC area about \$575,000, or \$2,861 per homeless person in its area. In contrast, 13 of California's 17 rural CoC areas received HUD awards amounting to less than \$1,000 per homeless person, and two of these received no HUD CoC awards. For the other 11 California rural CoC areas the average HUD award per homeless person was about \$533. As noted earlier, HUD considers information about the CoC's planning body, governance structure, overall performance, and strategic planning process to determine the order in which CoC areas across the nation are funded. Helping rural CoC areas improve these factors could increase their competitiveness in HUD's CoC grant program competition for funding."

Committee amendments:

The committee may wish to consider extending the date by which the strategic plan must be complete by a year, to July 1, 2020. Although the Council will now have dedicated staff it is also responsible for distributing funds allocated in this budget to local CoCs to address homelessness.

Related legislation:

AB 2162 (Chiu) would require the Department of Housing and Community Development (HCD) to create a statewide homeless integrated data warehouse (data warehouse) in coordination with the Homeless Coordinating and Financing Council (Council).

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

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