

Joint Oversight Hearing
Select Committee on Homelessness
and
Housing and Community Development Committee

Assessing California's 2013 Progress on Ending Homelessness

Tuesday, November 12, 2013
1:00 p.m. – 4:00 p.m.
State Capitol, Room 447

Introduction

California has 20.7 percent of the homeless population in the nation, by far the largest population of any state. This share is disproportionately high considering Californians make up only 12 percent of the population. Different segments of the population experience homelessness at different levels; for example, 14 percent are veterans and 20 percent are families. The homeless population includes individuals and families that are both chronically and episodically homeless. Most people who are episodically homeless are homeless once or twice during their lifetime, or experience multiple short episodes of homelessness after long struggles with housing instability. These individuals and families typically suffer a job loss or a reduction in income, live with family or friends who can no longer house them, age out of the foster care system, are discharged from hospitals or prisons, or experience an increase in rent they cannot afford and cannot find other housing, forcing them on to the street. Nationwide, homeless people, on average, spend less than a month living in shelters. About one-third spend less than one week in a shelter.¹

For most people who are homeless or at risk of homelessness, sufficient availability of housing affordable to those in low income brackets would prevent or end homelessness. Even small, temporary rental subsidies can avert homelessness for most in this population. A five-year federally funded study showed a 74 percent decreased risk of homelessness when households received rental subsidies, as compared to a control group, after four years.²

High unemployment has made it harder for families to pay their monthly bills. An increasing number of Californians who never would have been homeless before are joining the ranks of homeless people in shelters and on the streets. According to an October 2013 report from the National Center for Homeless Education, California had 248,904 homeless students enrolled in school, comprising 21.3 percent of the total number of homeless students in the nation. This figure represents a 28 percent increase in the last three years. People also are staying in shelters and transitional housing longer than in previous years.³

¹ U.S. Department of Housing and Urban Development, Office of Community Planning and Development. *The 2008 Annual Homeless Assessment Report to Congress*. Jul. 2009. pp. 12-13.

² Wood, Michelle, Turnham, Jennifer, Mills, Gregory. "Housing Affordability and Family Well-Being: Results from the Housing Voucher Evaluation." *Housing Policy Debate* (19:2, 2008). pp. 367-412.

³ U.S. Department of Housing and Urban Development, Office of Community Planning and Development. *The 2008 Annual Homeless Assessment Report to Congress: A Summary of Findings*. Jul. 2009. p. 3.

Those who are chronically homeless experience homelessness for much longer periods of time, and typically have severe medical conditions, mental illness, or are dealing with substance abuse (or a combination of these). Even though the chronic homeless are usually more visible on the streets, the typical share of a regional homeless population that is chronically homeless is around twenty-five. The chronic homeless are usually frequent users of public resources (such as emergency rooms, jails, psychiatric and detox facilities, etc.) at much higher levels than those who are episodically homeless. This utilization comes at very high costs for state and local governments.

For the chronically homeless, rental subsidies alone are insufficient to end homelessness. This population generally needs permanent supportive housing. Permanent supportive housing is housing that does not limit the length of a person's stay, is affordable to the tenant, and includes supportive services that help address the root causes of homelessness. Services offered depend on the individual's or family's needs, but often include case management to help coordinate health care and mental health needs, life skills training, transportation, and vocational training.⁴ In most cases, solving the actual homelessness with this strategy is far more costly than the "management" of homelessness for these frequent users of public services.

The majority of federal funding available to address homelessness comes through the McKinney Vento Homeless Assistance Act. In May 2009, President Obama signed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act into law, which allows more funding for homeless prevention and rapid re-housing of homeless persons.

Purpose of this hearing:

This hearing will examine what steps the Legislature took to address homelessness last year through bills and budget actions. We will also hear from local jurisdictions about the results of their most recent point-in-time count and what strategies have worked to reduce the incidence of homelessness in their communities as well as what challenges remain in addressing homelessness. Finally, we will hear the results of the California Policy Academy to Reduce Chronic Homelessness, regarding next steps they recommend to continue to move forward in our efforts to eliminate homelessness.

The hearing is intended to answer the following questions:

- 1) *What legislative, budget, and administrative actions did the Legislature take last legislative year to address homelessness? What priorities remain?*
- 2) *What does the state of homelessness in California look like? What trends are we seeing?*
- 3) *What best practices have local jurisdictions implemented to reduce the incidence of homelessness in their communities? What is working and where do the challenges exist?*

⁴ US Dept. of Health and Human Services. *Making a Difference: Report of the McKinney Research Demonstration Program for Homeless Mentally Ill Adults*. 1994.

- 4) *What opportunities has the California Policy Academy to Reduce Chronic Homelessness identified to improve California's efforts to reduce homelessness? Are there actions the legislature can take to assist in these efforts?*

Background:

Continuum of Care and Homeless Counts:

One of the areas the hearing will explore is the most recent homeless count completed by local continuum of care to determine what strategies and efforts have worked to reduce the total homeless population at the local level.

California currently has 40 identified networks (called "continuums of care") that participate in local, homeless-assistance program planning and conduct homeless counts. Homeless counts are performed by applicants (called "continuums of care") as one of the requirements to apply for the largest federal resource for homelessness: the competitive McKinney-Vento Homeless Assistance Grant Program. Continuums of care usually cover a city or county geographic region, though in some cases, several adjoining counties join together to submit one application. The purpose of a "point-in-time" homeless count is to use the snapshot the count provides to help communities determine the demand for homeless services in the coming year. To be eligible for McKinney-Vento Homeless Assistance Grant funding (which is administered by the U.S. Department of Housing and Urban Development), continuums of care must complete their counts at least once every two years.

Point-in-time homeless counts are conducted in one 24-hour period (during the last week of January) and capture a tally only for that given night. This tally provides a snapshot of those who are experiencing homelessness throughout the year. Point-in-time counts provide a statistically reliable, unduplicated count of sheltered and unsheltered homeless individuals and families in each continuum of care's geographical area; however, for a number of reasons, the numbers always represent an "undercount" of the true number of homeless persons.

It is important to note that point-in-time counts result in an undercount of the number of homeless persons. There are two main reasons why the point-in-time counts do not result in an accurate tall of how many homeless persons live in a given region:

- Point-in-time counts include only persons who fit within the definition of "homelessness" as defined by the U.S. Department of Housing and Urban Development (HUD). This definition was amended and broadened in early 2012. The core HUD definition states that an individual or family is homeless if they lack a fixed, regular, and adequate nighttime residence or if they are being discharged from an institution where they have been a resident for 90 days or less and resided in a shelter (but not transitional housing) or place not meant for human habitation immediately prior to entering that institution. There are also parameters that allow a person to be counted if they are imminently losing their primary nighttime residence within the next 14 days and do not have an identified new residence, if they are fleeing domestic violence, or are an unaccompanied youth (less than 25 years of age) or a family with children and youth. Despite this broadened definition,

each day homeless service providers serve thousands of individuals and families who do not have a permanent residence but are not captured in these point-in-time counts. These can include individuals or families who move from place to place ("couch surfers"), live doubled up with one or more other families, or live in motels, even though these persons consume comparable amounts of public services because of their limited incomes or disabilities.

- Because point-in-time counts are conducted in a single 24-hour period, it is not possible to reach every homeless person, which results in an undercount.

Legislation and Budget Actions in 2013

Over the last year, the Legislature has taken several important steps through legislation and the budget to reduce homelessness and assist persons who are experience homelessness. Below is a list of those actions.

Legislation:

- AB 639 (John A. Perez), Chapter 727, Statutes of 2013, establishes the Veterans Housing & Homeless Prevention Act of 2014 and asks voters to repurpose \$600 million in general obligation bond authority from 2008's Proposition 12 to create multifamily affordable and supportive homes for veterans who are homeless or at risk of homelessness.
- AB 361 (Mitchell), Chapter 642, Statutes of 2013, taps into the "Health Homes" option of the Affordable Care Act to fund services in supportive housing. The federal government will pay 90% of the costs for the first 2 years and philanthropy will cover the other 10%, meaning the state has two years to demonstrate effectiveness at a near cost free level.
- AB 873 (Chau), Chapter 488, Statutes of 2013, establishes new uses and priorities for our outdated Emergency Housing Assistance program. AB 873 seeks to better align our priorities with those at the federal level by allowing the Emergency Housing Assistance Program to fund both the conversions of shelters into permanent supportive housing and rapid re-housing activities.
- AB 1109 (Bonilla), Chapter 495, Statutes of 2013, creates more flexibility for past recipients of the Emergency Housing and Assistance Program - Capitol Development program (EHAP-CD) by permitting the conversion of emergency or transitional housing into permanent housing.
- AB 952 (Atkins), Chapter 771, Statutes of 2013, allows California Tax Credit Allocation Committee to award state tax credits to developments in a Qualified Census Tract or Difficult to Develop Area if at least 50 percent of the homes are reserved for people with special needs.

- SB 347 (Beall), Chapter 493, Statutes of 2013, allows Proposition 86 funds that were being used for emergency shelters for at-risk youth to continue to be used for that purpose rather than being remitted to the state.
- AB 309 (Mitchell), Chapter 97, Statutes of 2013. makes the CalFresh (food stamp) program more accessible to homeless youth by 1) clarifying that there is no minimum age requirement; 2) requiring counties to include information about CalFresh in their annual training for homeless-service providers; and 3) requiring county welfare departments to determine youths' eligibility without delay.
- AB 346 (Stone), Chapter 486, Statutes of 2013, requires the state Department of Social Services to license emergency youth shelter facilities that meet specified requirements. This change is needed to retain Homeless and Runaway Youth Act federal funding.

Budget

- For veterans, funding was included in the state budget to allow veterans homes in Fresno and Redding to begin accepting veterans this fall and to allow the conversion of 84 beds from skilled nursing level of care to independent living at the West LA veterans home.
- The Assembly was also successful in obtaining a one-time augmentation of \$3 million in this year's state budget in support of California's network of 56 County Veterans Service Offices (CVSO). The idea is this funding will help veterans and their families maximize the benefits they are eligible for.
- Progress also includes a slight increase in CalWORKs funding, actions needed to implement the expansion of Medi-Cal under the Affordable Care Act, and a substantial re-investment in mental health funding, including an increase in funding for the Integrated Services for Mentally Ill Parolees (ISMIP) program that provides wraparound services for parolees with mental illness, 25 additional mental health mobile crisis support teams, at least 2,000 more crisis stabilization and crisis residential treatment beds, and at least 600 more triage personnel.

California Policy Academy to Reduce Chronic Homelessness (Policy Academy)

Today's hearing will include a presentation by the Department of Housing and Community Development to discuss the results of the California Policy Academy to Reduce Chronic Homelessness which convened its last meeting on November 6, 2013.

In late 2012, California applied for and received a technical assistance grant that brings together a team of federal and state experts and practitioners with a focus on short-term actions that can impact chronic homelessness in the State. California was one of four selected states. The purpose of the Policy Academy is to learn from successful state and local efforts and practices and to explore new opportunities for collaboration, coordination, and innovation.

Through experts made available through the Policy Academy, the stakeholders set out to focus on State investment and coordination strategies, partnerships, and actions that:

- Increase access to permanent supportive housing by persons experiencing chronic homelessness;
- Leverage and incentivize local crisis response systems moving toward permanent housing, rapid re-housing, and targeted engagement; and
- Increase access and impact of mainstream resources, particularly given healthcare reform, both within permanent supportive housing and for individuals still living on the streets.