

Date of Hearing: April 6, 2011

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Norma Torres, Chair

AB 483 (Torres) – As Introduced: February 15, 2011

SUBJECT: Housing finance

SUMMARY: Changes the definition of "target population" for purposes of the Supportive Housing component of the Multi-Family Housing Program (MHP-SH). Specifically, this bill:

- 1) Changes the definition of "target population" for purposes of MHP-SH to mean any of the following:
  - a) Persons, including families, who meet the definition of "chronic homelessness" in the U.S. Department of Housing and Urban Development SuperNOFA for Continuum of Care or Collaborative Applicant Program;
  - b) Young adults and emancipated youth 25 years of age and younger experiencing homelessness; or
  - c) Individuals exiting from institutional settings, including, but not limited to, jails, hospitals, prisons, and institutes of mental disease, who were homeless when entering the institutional setting, who have a disability, and who resided in that setting for a period of not less than 15 days.
- 2) Specifies that persons who have lived in supportive housing for less than 12 months and who otherwise would have qualified under any of the above definitions may also be included in the target population.
- 3) Adds the following to the data that MHP-SH borrowers must report annually to the Department of Housing and Community Development (HCD):
  - a) If a resident moved during the reporting period, the reason for the move and the type of housing to which the resident moved, if known; and
  - b) The resident's housing status prior to occupancy, including the term of the resident's homelessness.

EXISTING LAW

- 1) Establishes MHP to assist with the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower income households (Health and Safety Code Section 50675).
- 2) Establishes criteria for projects funded through the supportive housing component of the MHP program (Health and Safety Code Section 50675.14).

- 3) Defines "supportive housing for purposes of MHP-SH as housing with no limit on length of stay, that is occupied by the target population, 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 (Health and Safety Code Section 50675.14).
- 4) Defines "target population" for purposes of MHP-SH as persons with low incomes having one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health conditions, or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act, and specifies that the target population may include, among other populations, adults, emancipated youth, families, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people (Health and Safety Code Section 50675.14).
- 5) Requires the criteria established by HCD for selecting supportive housing projects to give priority to the following:
  - a) Supportive housing projects that house persons with disabilities who would otherwise be at high risk of homelessness, where the application for funding demonstrates collaboration with programs that meet the needs of the supportive housing residents' disabilities; and
  - b) Supportive housing projects that include a focus on measurable outcomes and a plan for evaluation.
- 6) Requires borrowers under MHP-SH, beginning the second year after project occupancy, to include the following data in their annual reports to HCD:
  - a) The length of occupancy by each supportive housing resident for the period covered by the report;
  - b) Changes in each supportive housing resident's employment status during the previous year; and
  - c) Changes in each supportive housing resident's source and amount of income during the previous year.

FISCAL EFFECT: None

COMMENTS:

The MHP program funds the construction, rehabilitation, and preservation of permanent and transitional rental homes for lower-income households by providing loans to non-profit and for-profit housing developers. The state's last two affordable housing bonds, Proposition 46 of 2002 and Proposition 1C of 2006 provided funding for MHP. MHP-SH, a subset of the MHP program, requires sponsors to provide supportive services such as case management, health care, and vocational services for residents of the development. MHP-SH dollars have helped fund the creation of over 2,400 supportive housing units statewide.

Supportive housing is a proven cost-effective approach to reducing chronic homelessness. It allows people suffering from severe barriers to housing stability to remain stably housed. Among homeless people with mental illness and substance addiction, 81% of supportive housing residents remain stably housed after one year. These individuals decreased their jail days by 76%, their emergency department visits by 58%, and their inpatient days by 57%. However, it is

not cost-effective for those who only need an affordable place to live to escape or prevent homelessness.

Under current law, the MHP-SH statute allows funded projects to serve anyone who is homeless or at risk of homelessness. Under MHP regulations, a household is “at risk of homelessness” if household income is at less than 20% of area median income or state median income (AMI or SMI) and the household has no rental subsidy, or if household income is between 20% and 30% of AMI or SMI and the household is facing immediate eviction, release from an institution, an overcrowded living situation, substandard housing, or housing costs of over 50% of the household’s income.

Because of the broad definition of the MHP-SH target population, some MHP-SH projects have assisted people who would never have become homeless without supportive housing. Many among the eligible population needed a more affordable home but not necessarily the supportive services to remain housed.

AB 483 changes the definition of “target population” for purposes of MHP-SH to ensure that the program serves individuals who need supportive services, particularly the chronically homeless, to ensure that program funds are being used effectively. The bill redefines "target population" as any of the following:

- Persons and families meeting the definition of “chronic homelessness” in the U.S. Department of Housing and Urban Development SuperNOFA for Continuum of Care or Collaborative Applicant Program.
- Young adults and emancipated youth 25 years of age and younger experiencing homelessness, including homeless young adults exiting the foster care system.
- Individuals exiting institutional settings, including, but not limited to, jails, hospitals, prisons, and institutes of mental disease, who were homeless when entering the institutional setting, who have a disability, and who resided in that setting for a period of not less than 15 days.
- Persons who have lived in supportive housing for less than 12 months and who otherwise would have qualified as part of one the above subgroups.

AB 483 also adds additional reporting requirements for borrowers under MHP-SH, including information on where a resident moves upon leaving a supportive housing project, including the reason for the move and the type of housing to which the resident moves, and information on residents’ housing status prior to moving into the development, including the length of homelessness.

#### REGISTERED SUPPORT / OPPOSITION:

##### Support

Corporation for Supportive Housing (sponsor)

California Communities United Institute  
California Rural Legal Assistance Foundation  
EveryOne Home (Alameda County Continuum of Care)  
Housing California  
Western Center on Law and Poverty

Opposition

None on file

Analysis Prepared by: Anya Lawler / H. & C.D. / (916) 319-2085