

Joint Hearing of the Assembly Committee on Housing and Community Development and the  
Assembly Committee on Veterans Affairs

INFORMATIONAL HEARING

Implementation of the Veterans Housing and Homelessness Prevention Program (VHHP)  
Thursday, October 15, 2015  
1:30pm- 4:30pm  
State Capitol, Room 126

INTRODUCTION

The purpose of this hearing is to assess the implementation of Proposition 41 (the Veterans Housing and Homeless Prevention Bond Act of 2014) which resulted in the VHHP by the Department of Housing and Community Development (HCD), CalVET, and the California Housing Finance Agency (CalHFA). In addition the hearing will explore the process for financing and developing veteran-specific supportive housing from the developers' and service providers' perspective. Further, already in the current legislative session at least five bills have been introduced which would impact the VHHP, and a secondary goal of this hearing is to discuss the policy issues raised by these proposals in the context of reflection on the first round of VHHP funding awards. Last, on October 13<sup>th</sup>, 2015, a second Notice of Funding Availability (NOFA) and revisions to the VHHP Program Guidelines were announced; it is also a purpose of the hearing to discuss these events.

CALIFORNIA LEADS THE NATION IN HOMELESS VETERANS

California is home to nearly 1.8 million veterans as of September 30, 2013, the largest veteran population in the nation according to the VA's National Center for Veterans Analysis and Statistics. The U.S. Department of Housing and Urban Development (HUD) also reported that California has the highest number of homeless veterans with 15,179 in 2013, of which 10,293, or 67.8%, were unsheltered on a given night. To serve the needs of these veterans, California needs significantly more housing for extremely low-income and homeless veterans.

While veterans as a whole have higher median incomes, greater rates of employment and educational attainment, the November 2013 publication (Housing Instability Among Our Nation's Veterans) by the National Low Income Housing Coalition reports that 79% of California's extremely low-income veteran renter households have a severe cost burden, spending more than 50% of their income on housing. The face of the nation's homeless veteran population is changing as more Operation Iraqi Freedom and Operation Enduring Freedom veterans find themselves in a downward spiral towards homelessness. Increasingly, female veterans and their children comprise a higher proportion of the homeless veteran demographic. While still making up less than 10% of the total homeless veterans' population, service providers report that the number of homeless women veterans has been rising steadily in recent years. Female veterans in poverty are 2.7 times more likely to experience

homelessness than other adults living in poverty. In addition, younger veterans living in poverty (ages 18-30) are 3.4 times as likely to become homeless.

### CALVET CALIFORNIA VETERAN FARM AND HOME PURCHASE PROGRAM

In 2008, California voters approved Proposition 12, the Veteran's Bond Act of 2008, a nine hundred million dollar (\$900,000,000) general obligation bond intended to help veterans specifically purchase single family homes, farms, and mobile homes through the CalVet California Veteran Farm and Home Purchase Program, often referred to as the CalVet Home Loan Program.

The program provides loans to veterans for single-family residences, including condominiums and planned unit developments; farms; units in cooperative developments; and mobilehomes in rental parks or on land owned by the veteran. The restrictions on the program do not permit development of affordable multifamily, supportive, and transitional housing of the kind contemplated by the VHHP.

### AB 639 (CHAPTER 727, STATUTES OF 2013, PÉREZ): VETERANS HOUSING AND HOMELESS PREVENTION BOND ACT OF 2014: VETERANS HOUSING AND HOMELESS PREVENTION ACT OF 2014

In 2013, AB 639 (Chapter 727, Statutes of 2013, Pérez) restructured the Veteran's Bond Act of 2008 authorizing \$600 million in existing veterans bond authority to fund multifamily housing for veterans with 50% serving extremely low-income of which 60% is for supportive housing. AB 639 resulted in the creation of the VHHP.

### THE VHHP

Highlights of the VHHP include:

- Funds must be used to serve veterans and their families.
- “Veteran” means any person who served in the active military, naval or air service of the United States or as a member of the National Guard who was called to and released from active duty or active services for a period of not less than 90 consecutive days or was discharged from service due to a service related disability.
- At least 50% of the funds awarded must serve veteran households with extremely low-incomes. Of those units targeted to extremely low-income veteran housing, 60% must be supportive housing units.
- After a reduction for administrative costs, approximately \$545,000,000 will be made available over a period of several years. \$75 million was made available under an initial Notice of Funding Availability (NOFA), which was released in February 2015.
- To the extent feasible, the departments shall establish and implement programs that,

among other things, do the following:

- Leverage public (federal, state, and local), private, and nonprofit program and fiscal resources.
- Prioritize projects that combine housing and supportive services, including, but not limited to, job training, mental health and drug treatment, case management, care coordination, or physical rehabilitation.
- Promote public and private partnerships.
- Foster innovative financing opportunities.
- Ensure program guidelines and terms provide threshold requirements or scoring criteria, or both, to advance applicants with experience in combining permanent or transitional housing, or both, with supportive services for veterans, or for partnering with housing developers or service providers with experience offering housing or services to veterans.

Part of the implementation of the VHHP was adoption of Program Guidelines. The Final Program Guidelines included certain geographic award goals:

- Awarding not less than 14% of the total amount awarded to projects located in Alameda, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, Santa Cruz or Sonoma Counties.
- Awarding not less than 31% of the total amount awarded to projects located in Los Angeles County.
- Awarding not less than 8% of the total amount awarded to projects located in Orange, Riverside or San Bernardino Counties.
- Awarding not less than 7% of the total amount awarded to projects located in San Diego County.
- Awarding not less than 16% of the total amount awarded to projects located outside any of the counties named in above.

#### THE FIRST ROUND OF VHHP FUNDING

Further details are attached in a summary document however, highlights of the first round of VHHP awards are:

- A total of 32 applications were received, requesting approximately \$125 million.
- 12 applications were for projects in Los Angeles County, 6 in the Orange County / Inland Empire region, 3 in the San Francisco Bay Area, 1 in San Diego, and 10 scattered around the state.
- 25 applications were for projects with supportive housing units for veterans. One was for transitional housing. Many applications proposed mixed populations. In 21 projects, fewer than 60% of the units were proposed as VHHP-assisted.
- 28 applications listed tax credits as a funding source. 11 listed other HCD programs. Many also were counting on local government funding.
- In June, 2015, HCD, CalVet and CalHFA awarded approximately \$63 million to 17 projects. These projects will have 1221 units, 566 of which will be VHHP-assisted. 8 of the approved

projects are in Los Angeles County, 4 are in the Orange County / Inland Empire region, 1 in the San Francisco Bay Area, 1 in San Diego, and 3 in other locations.