

AMENDED IN ASSEMBLY MAY 22, 1998
AMENDED IN ASSEMBLY APRIL 16, 1998
AMENDED IN ASSEMBLY APRIL 2, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 2737

**Introduced by Assembly Members Aroner, Honda, Knox,
Kuehl, Perata, and Washington**
(Coauthors: Senators Lee and Watson)

February 23, 1998

An act to add Part 2.5 (commencing with Section 50897) to Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2737, as amended, Aroner. Supportive housing.

Existing law contains various provisions relating to emergency and transitional housing for homeless and mentally disabled persons.

This bill would enact the California Statewide Supportive Housing Initiative Act and create the Supportive Housing Initiative Fund to be administered by the Health and Welfare Agency to provide matching funds for cities and counties for programs for permanent supportive housing for homeless and other very low income disabled persons. *The bill would provide that its implementation is contingent upon the appropriation of funds in the annual Budget Act to the Supportive Housing Initiative Fund.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Part 2.5 (commencing with Section
2 50897) is added to Division 31 of the Health and Safety
3 Code, to read:

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PART 2.5. CALIFORNIA STATEWIDE
SUPPORTIVE HOUSING INITIATIVE

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50897. The Legislature finds and declares all of the
following:

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(a) Decent, affordable housing is an essential human
need that relates directly to families and persons
achieving self-sufficiency and maximizing their
independence.

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(b) The presence of homeless persons on our streets
and the existence of unsafe, unsanitary housing constitute
conditions that increase public health and safety
problems.

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(c) At least 150,000 people are homeless in California,
and studies indicate that at least half are disabled with
mental illness, medical problems, or other health
conditions.

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(d) Very low income people with disabilities cycle
through costly, short-term crisis programs such as hospital
emergency rooms, psychiatric hospitalization,
emergency shelters, and jails, failing to make a long-term
transition to stability and permanent housing.

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(e) Evidence from around the country shows that a
significant percentage of those who are trying to move
from welfare to work face substantial barriers, including
mental health and other health-related disabilities.

(f) Supportive housing, which blends affordable
housing with necessary support and employment
services, has been shown to be effective in stabilizing
tenants so that they regain a stake in the community.



1 (g) Supportive housing has been shown to decrease by
2 50 percent the use of emergency medical services and
3 incarceration, reduce recidivism among substance
4 abusers by more than 50 percent, increase employment
5 rates by 100 percent, and successfully retain tenants at
6 rates exceeding 80 percent.

7 (h) Supportive housing has previously been
8 developed and operated primarily with local
9 government, federal government, philanthropic, and
10 private sector support.

11 (i) Supportive housing is currently available to only 1
12 or 2 of every 10 Californians who could benefit from it.

13 (j) By establishing a supportive housing initiative, the
14 state can leverage substantial local, federal, and private
15 support; reduce costs; and ensure that existing supportive
16 housing programs are sustained and that new supportive
17 housing programs are developed.

18 50897.1. This act shall be known and may be cited as
19 the California Statewide Supportive Housing Initiative
20 Act.

21 50897.2. There is hereby created in the State Treasury
22 the Supportive Housing Initiative Fund. Money
23 appropriated to the fund in the annual Budget Act shall
24 be used to provide matching funds of up to 50 percent to
25 cities and counties for supportive housing pursuant to this
26 part. The fund shall be administered by the Health and
27 Welfare Agency. That agency shall integrate the
28 Statewide Supportive Housing Initiative established by
29 this part with special needs housing programs offered by
30 government or private lenders.

31 50897.3. The purpose of this part is to provide
32 incentives to local government to sustain and expand the
33 stock of permanent supportive housing. The program
34 shall target very low income single adults and families
35 with the head of household having one or more
36 disabilities, including mental illness, substance abuse, or
37 chronic health conditions, including HIV or AIDS, and
38 who are also elderly people, young adults aging out of the
39 foster care system, individuals exiting from institutional
40 settings, or homeless people. For purposes of this section,



1 “very low income” means at or below 35 percent of the
2 area median income.

3 50897.4. Funds available under this part shall be
4 available on a flexible basis depending upon the needs of
5 each project for operating subsidies and services,
6 including health care, social supports, community
7 building, and vocational services. The service or
8 operating support may be at a level sufficient to permit
9 the leveraging of capital through the repayment of debt.
10 State funds may be used to make units affordable to very
11 low income persons by either capitalizing operating
12 reserves in the case of buildings owned by nonprofit
13 organizations, or through rental assistance. The type of
14 support required to make the housing affordable to very
15 low income persons and the method of administering the
16 funds shall be identified by the local jurisdiction in its
17 application.

18 50897.5. Supportive housing providers or public
19 agencies may apply to the State Supportive Housing
20 Initiative Fund for operating support, services support, or
21 support for both services and operating costs. All
22 applicants shall do all of the following:

23 (a) Provide evidence that both affordable housing and
24 services appropriate to the target population are
25 available.

26 (b) Identify the source of, and the duration of the
27 commitment for, matching funds of at least 50 percent of
28 the project’s ongoing service and operating costs.

29 (c) Indicate how the proposed supportive housing will
30 be assessed and monitored locally.

31 50897.6. Proposals shall be submitted to the Health
32 and Welfare Agency jointly by local public health and
33 housing agencies, or by a jurisdiction’s local continuum of
34 care board established to implement the federal Stewart
35 B. McKinney Homeless Assistance Act (Public Law
36 100-77) or public or private agencies that can
37 demonstrate that they provide high quality services and
38 affordable housing to people with disabilities, elderly
39 people, young adults, or homeless people. Proposals shall
40 be certified by the submitting agencies as being



1 consistent with the local jurisdiction's Consolidated Plan
2 that is prepared for the Department of Housing and
3 Urban Development, or its Continuum of Care Plan, or
4 a local supportive housing plan that has been adopted by
5 a public body.

6 *50897.7. The implementation of this chapter is*
7 *contingent upon the appropriation of funds in the annual*
8 *Budget Act to the Supportive Housing Initiative Fund*
9 *created by Section 50897.2.*

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