

AMENDED IN SENATE JUNE 15, 1999

AMENDED IN SENATE JUNE 9, 1999

AMENDED IN SENATE APRIL 26, 1999

AMENDED IN SENATE APRIL 12, 1999

**SENATE BILL**

**No. 781**

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**Introduced by Senator Speier**

February 25, 1999

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An act to add Chapter 18 (~~commencing with Section 50898~~) to Part 2 of Division 31 of the Health and Safety Code, relating to housing; 16 (*commencing with Section 18998*) to Part 6 of Division 9 of the Welfare and Institutions Code, relating to housing, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 781, as amended, Speier. Housing subsidies: counties.

Existing law sets forth the duties of the State Department of ~~Housing and Community Development~~ *Social Services* in administering various ~~housing~~ *public assistance* programs in the state.

This bill would require the department to oversee a rental housing subsidy program to be administered by counties, at their option, pursuant to which families who are successfully meeting participation requirements under the welfare-to-work component of the CalWORKs program, or who are certain former CalWORKs recipients whose income is less than 150% of the federal poverty level, would receive subsidies for rent for up to 3 years, at specified levels. It would

require a county receiving subsidies to provide a 15% match, and would authorize the county to develop criteria for eligibility for the program in addition to that set forth in the bill, and to designate a local agency or community-based organization to implement the program.

The bill would require participating counties to provide a status report to the department by March 1, 2003, and would require the department to report to the Legislature by September 1, 2003, on the program.

The bill would ~~provide that funding for the rental housing subsidy program shall be provided through reserve appropriate \$5,000,000 from federal Temporary Assistance for Needy Families (TANF) program block grant funds only during fiscal years in which the Legislature has appropriated funds to the department to the department for funding the rental housing subsidy program.~~

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

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

- 1 SECTION 1. The Legislature finds and declares the
- 2 following:
- 3 (a) According to nationwide research, California has
- 4 the greatest number of low-income renters facing
- 5 unaffordable rents, substandard conditions, or both.
- 6 (b) The average monthly rents in high-cost areas of
- 7 the state are as much as 60 percent or more above the
- 8 statewide median.
- 9 (c) The average rents in high-cost counties are almost
- 10 double the maximum aid payment for CalWORKs
- 11 families.
- 12 (d) Families in high-cost areas are increasingly at risk
- 13 of homelessness as they struggle month to month to meet
- 14 their basic needs.
- 15 (e) Research studies have proven that subsidized
- 16 housing stabilizes families at risk of homelessness and
- 17 helps families move toward self-sufficiency.
- 18 (f) Thousands of low-income California families will
- 19 be required to participate in work activities for a



1 minimum of 32 hours per week beginning July 1999 and  
2 must find self-sustaining employment within five years or  
3 face losing their CalWORKs benefits.

4 (g) Counties are finding that families who face  
5 housing crises have more difficulty meeting the  
6 CalWORKs participation requirements and progressing  
7 toward self-sufficiency.

8 (h) High housing costs and long waiting lists are  
9 rendering current federal housing programs ineffective.  
10 Section 8 waiting lists in high-cost counties are either  
11 closed or are so long that it takes a family more than five  
12 years to move to the top of the list to receive a subsidy.  
13 Low-income families in high-cost counties have extreme  
14 difficulty using Section 8 certificates because the United  
15 States Department of Housing and Urban Development  
16 fair market rents (FMRs) on which federal Section 8  
17 certificates are based do not accurately reflect the  
18 extremely high rents.

19 (i) It is therefore the intent of the Legislature to  
20 establish a transitional and time-limited housing subsidy  
21 program for CalWORKs families living in high-cost  
22 counties that encourages work and provides CalWORKs  
23 families with a cash rental subsidy to help them meet  
24 their basic needs and progress toward self-sufficiency.

25 ~~SEC. 2. Chapter 18 (commencing with Section 50898)~~  
26 ~~is added to Part 2 of Division 31 of the Health and Safety~~  
27 ~~Code, to read:~~

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~~CHAPTER 18.—~~

30 ~~SEC. 2. Chapter 16 (commencing with Section 18998)~~  
31 ~~is added to Part 6 of Division 9 of the Welfare and~~  
32 ~~Institutions Code, to read:~~

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~~CHAPTER 16. Housing Subsidies for Counties~~

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~~50898.—~~

37 ~~18998.~~ (a) The ~~department~~ *State Department of*  
38 *Social Services* shall oversee a rental housing subsidy  
39 program to be administered by counties, at their option.



1 (b) (1) The subsidy provided under this section shall  
2 be applied for the benefit of families who are successfully  
3 meeting participation requirements under the  
4 welfare-to-work component of the CalWORKs program  
5 pursuant to Article 3.2 (commencing with Section 11320)  
6 of Chapter 2 of Part 3 of Division 9 of the Welfare and  
7 Institutions Code, or former CalWORKs recipients who  
8 are receiving retention services within one year of  
9 receipt of aid and whose income level is less than 150  
10 percent of the federal poverty level.

11 (2) To be eligible for a subsidy under this section, a  
12 family must be paying 50 percent or more of its grant and  
13 income for rent. Counties may establish additional  
14 eligibility criteria, at their option.

15 (c) Individual subsidies under this section shall be  
16 limited to the fair market rents in the local area, as  
17 defined by an acceptable market study, and shall be  
18 applied for no longer than a total of three years, as follows:

19 (1) In the first year, 50 percent of the family's rent shall  
20 be subsidized.

21 (2) In the second year, 40 percent of the family's rent  
22 shall be subsidized.

23 (3) In the third year, 30 percent of the family's rent  
24 shall be subsidized.

25 (d) Rental units subsidized under this program shall  
26 meet acceptable housing quality standards.

27 (e) In order to receive funds under this section, a  
28 county shall demonstrate an urgent need for housing  
29 assistance for its families receiving CalWORKs assistance.  
30 Counties shall submit to the department documentation  
31 that includes the number and percentage of CalWORKs  
32 families paying more than 50 percent of their grant and  
33 income in rent, the number and percentage of  
34 CalWORKs families living in shared housing, the average  
35 rents by unit size broken down by subcounty region, the  
36 vacancy rate among units whose rental cost is at or below  
37 100 percent of the United States Department of Housing  
38 and Urban Development (HUD) fair market rent levels  
39 for the county, and the incidence of homelessness among  
40 CalWORKs families in the county. Only counties that



1 provide sufficient documentation demonstrating a need  
2 for housing assistance for its CalWORKs families shall  
3 receive funding under this section.

4 (f) A county that receives funds pursuant to this  
5 section shall provide a 15-percent match, which may  
6 include funds from the county's CalWORKs single  
7 allocation, county maintenance-of-effort funds under the  
8 CalWORKs program, county CalWORKs incentive  
9 funds, or other county funds to the extent not in conflict  
10 with federal law. County funds expended on housing case  
11 management linked to this program shall count toward  
12 the required match.

13 (g) Eligible counties shall be allocated a dollar amount  
14 based on a formula that takes into account the size of the  
15 county CalWORKs population, the number of  
16 CalWORKs families paying more than 50 percent of their  
17 grant and income in rent, and the HUD fair market rent  
18 levels. The formula shall be determined by a work group  
19 comprised of representatives from the county welfare  
20 department and the ~~Department of Housing and~~  
21 ~~Community Development.~~ *State Department of Social*  
22 *Services.*

23 (h) A county may designate a local agency, including  
24 the county welfare department or the local public  
25 housing agency, or a community-based organization to  
26 implement the program. All counties that choose to  
27 participate in the program shall develop a county  
28 CalWORKs housing stabilization plan that outlines the  
29 program design and includes the criteria for family  
30 selection, the amount and source of the local matching  
31 funds, a description of how housing quality standards will  
32 be met, and evidence of consultation with local  
33 stakeholders. If the local agency designated to implement  
34 the program is not the county welfare department, the  
35 county welfare department shall participate in the  
36 development of the plan. The ~~County CalWORKs~~  
37 ~~Housing Stabilization Plan shall be~~ *county CalWORKs*  
38 *housing stabilization plan shall be* approved by the board  
39 of supervisors in each county and shall be submitted to  
40 the department for certification. In overseeing the



1 county operated programs, the department shall ensure  
2 that each county fulfills its responsibilities as outlined in  
3 its housing stabilization plan.

4 (i) Each participating county shall provide to the  
5 department by March 1, 2003, a status report on its  
6 specific subsidy program to enable the department to  
7 complete its report to the Legislature required by  
8 subdivision (j).

9 (j) Notwithstanding Section 7550.5 of the Government  
10 Code, the department by September 1, 2003, shall submit  
11 to the Legislature a report on the status of the subsidy  
12 program.

13 ~~SEC. 3. Funding for the rental housing subsidy~~  
14 ~~program in Chapter 18 (commencing with Section~~  
15 ~~50898) of Part 2 of Division 31 of the Health and Safety~~  
16 ~~Code added by this act shall be provided through reserve~~  
17 ~~Temporary Assistance for Needy Families (TANF)~~  
18 ~~program funds only during fiscal years in which the~~  
19 ~~Legislature has appropriated funds to the department for~~  
20 ~~the purpose of that rental housing subsidy program.~~

21 *SEC. 3. The sum of five million dollars (\$5,000,000) is*  
22 *hereby appropriated from federal Temporary Assistance*  
23 *for Needy Families (TANF) block grant funds to the*  
24 *State Department of Social Services for funding the*  
25 *rental housing subsidy program established pursuant to*  
26 *Chapter 16 (commencing with Section 18998) of Part 6 of*  
27 *Division 9 of the Welfare and Institutions Code, as added*  
28 *by Section 2 of this act.*

