

AMENDED IN ASSEMBLY AUGUST 11, 2000

AMENDED IN ASSEMBLY AUGUST 7, 2000

AMENDED IN SENATE MAY 30, 2000

AMENDED IN SENATE MARCH 22, 2000

SENATE BILL

No. 1593

Introduced by Senator Burton

(Coauthor: Senator Alarcon)

*(Coauthors: Assembly Members Lowenthal, Mazzoni, and
Wildman)*

February 18, 2000

An act to amend Sections ~~50675.7~~, 50800, 50801, 50801.5, 50802, 50802.5, 50804, 53260, 53265, 53275, 53280, and 53300 of, and to add Sections 50675.12 and 53311 to, the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1593, as amended, Burton. Housing programs.

(1) The existing Multifamily Housing Program requires the Department of Housing and Community Development to administer deferred payment loans to be used to pay for the eligible costs of housing development projects. The program requires loans to be provided to projects that meet specified requirements and criteria, such as the ability of the project to serve households at the lowest income levels. *Existing law requires the department to report annually to the Governor and the Legislature on housing programs administered by the department.*

This bill would require ~~the criteria to consider the ability of the project to contain a significant percentage of units for participants in programs that serve specified populations. It would also require the department to prepare and provide~~ *include annually in that report to the Governor and the Legislature a specified report on the Multifamily Housing Program.*

(2) Existing law establishes the Emergency Housing and Assistance Program and prohibits the program from conflicting with the federal Steward B. McKinney Homeless Assistance Act. It also requires the Department of Housing and Community Development to adopt regulations regarding the administration of the program and prohibits these provisions from being construed to preclude a provider of emergency shelter or transitional housing from restricting occupancy on the basis of sex.

This bill would define the term “safe haven” for purposes of the program ~~and require the program to be consistent with the federal act.~~ It would require providers of emergency shelter or transitional housing to provide adequate facilities within their range of services so that all members of a family may be housed together.

(3) Existing law requires the Department of Housing and Community Development to ensure that not less than 20% of the moneys in the Emergency Housing and Assistance Fund are allocated to nonurban counties during any given fiscal year. It authorizes the department to determine limits on the amount for capital developments and prohibits the department, or a designated local board, from granting more than \$500,000 to any eligible organization within a region.

This bill would, among other things, require, if the funds allocated to nonurban counties are not ~~expended~~ *awarded* by the end of ~~the fiscal year~~ *a specified period*, to be allocated ~~in the next fiscal year~~ *subsequently* to urban counties ~~as specified.~~ It would also require the department to consider, by June 30, 2001, increasing its limits on the amount for operating grants and capital grants, as specified, prohibit a grant of more than \$1,000,000 to any eligible organization within a region in a funding round, and authorize eligible designated local



boards to use a specified percentage, not to exceed 2%, of the grant award to defray administrative costs.

(4) The existing California Statewide Supportive Housing Initiative Act requires the State Department of Mental Health to award grants to local government or private nonprofit agencies for services to a target population that is defined to include adults with low incomes having one or more disabilities or individuals eligible for services provided under the Lanterman Developmental Disabilities Services Act and may include specified other groups or individuals. The act establishes a Supportive Housing Program Council to assist with the implementation of the act. The act also requires the department to award grants for up to a 3-year period and in an amount that does not exceed \$450,000 for a single project, and \$1,000,000 for an application from a single jurisdiction for several projects. The act prohibits more than 10% of the amount appropriated in a fiscal year for purposes of the act from being used for state administration of the act.

This bill would, among other things, revise the definition of target population to include veterans, include the Director of the California Tax Credit Allocation Committee on the council, extend the time period for specified grants to not exceed 15 years, and raise the maximum amounts for the grants to \$2,000,000 for single project and \$3,000,000 for an application from a single jurisdiction for several projects. It would also authorize 5% of the amount appropriated for purposes of the act to be used for state administration of the act, notwithstanding the allocation of specified funds in the Budget Act of 2000. The bill would also require the State Department of Mental Health to prepare and provide annually to the Legislature a report relating to specified information.

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.—Section 50675.7 of the Health and Safety~~
- 2 *SECTION 1. Section 50675.12 is added to the Health*
- 3 *and Safety Code, to read:*



1 50675.12. (a) The department shall include in the
2 annual report required by Section 50408 information that
3 describes all of the following:

4 (1) The number of projects assisted through the
5 program.

6 (2) The types of units assisted through the program.

7 (3) The location and geographical distribution of the
8 projects and units assisted.

9 (4) The average cost per project, and cost per unit.

10 (5) The number of projects and units that have been
11 assisted that serve special needs populations and
12 information related to the types of special needs
13 populations served.

14 (b) After each Notice of Funding Availability issued
15 for the distribution of funds pursuant to the program, the
16 department shall evaluate the ability of projects that
17 serve families or special needs populations to
18 competitively access the program. Based on its analysis,
19 if the department determines that those projects are not
20 able to apply for or to successfully compete for funding,
21 the department shall make the adjustments it deems
22 appropriate to ensure that these populations are
23 adequately served in subsequent Notices of Funding
24 Availability. These adjustments may include, but are not
25 limited to, making adjustments to threshold
26 requirements, evaluative criteria, or the timing of the
27 issuance of Notices of Funding Availability to ensure that
28 reasonable funding remains available for more complex
29 projects that include the supportive services necessary to
30 serve families and special needs populations.

31 Code is amended to read:

32 ~~50675.7. Loans shall be provided using a project
33 selection process established by the department that
34 meets all of the following requirements:~~

35 ~~(a) To the extent feasible, this process shall be
36 coordinated with the processes of other major housing
37 funding sources, including that of the California Tax
38 Credit Allocation Committee, and shall ensure a
39 reasonable geographic distribution of funds.~~



1 ~~(b) The process shall require that applications for~~
2 ~~projects meet minimum threshold requirements,~~
3 ~~including, but not limited to, all of the following:~~

4 ~~(1) The proposed project shall be located within~~
5 ~~reasonable proximity to public transportation and~~
6 ~~services.~~

7 ~~(2) Development costs for the proposed project shall~~
8 ~~be reasonable compared to costs of comparable projects~~
9 ~~in the local area.~~

10 ~~(3) The proposed project shall be feasible.~~

11 ~~(4) The sponsor shall have the capacity to own and~~
12 ~~develop the proposed project.~~

13 ~~(c) Projects that meet threshold requirements shall be~~
14 ~~evaluated for funding based on weighted underwriting~~
15 ~~and evaluative criteria that give consideration to projects~~
16 ~~that meet the following criteria:~~

17 ~~(1) Serve households at the lowest income levels,~~
18 ~~consistent with long-term feasibility, considering regional~~
19 ~~variations.~~

20 ~~(2) Address the most serious identified local housing~~
21 ~~needs.~~

22 ~~(3) Will be developed and owned by entities with~~
23 ~~substantial and successful experience.~~

24 ~~(4) Contain a significant percentage of units for~~
25 ~~families or special needs populations.~~

26 ~~(5) Leverage other funds in those jurisdictions where~~
27 ~~they are available.~~

28 ~~(6) Projects that contain a significant percentage of~~
29 ~~housing units for participants in programs established~~
30 ~~under the Adult and Older Adult Mental Health System~~
31 ~~of Care Act (Part 3 (commencing with Section 5801) of~~
32 ~~Division 5 of the Welfare and Institutions Code), or other~~
33 ~~projects that house homeless persons.~~

34 ~~(d) The department may establish alternate project~~
35 ~~selection processes, threshold requirements, and~~
36 ~~priorities for funds appropriated for special purposes.~~
37 ~~These alternate processes, requirements, and priorities~~
38 ~~shall be tied to the specific needs and objectives for which~~
39 ~~the funds have been appropriated.~~



1 ~~(e) Loans for rental housing developments and~~
2 ~~transitional housing may be reviewed, approved, and~~
3 ~~funded by the department directly to the sponsor. The~~
4 ~~department shall ensure that the sponsor notifies the local~~
5 ~~legislative body of the sponsor's loan application prior to~~
6 ~~application submission.~~

7 ~~(f) The department may make grants to local public~~
8 ~~entities using funds reserved by the Legislature for~~
9 ~~rehabilitation, or acquisition and rehabilitation, in~~
10 ~~support of code enforcement. The local entities shall then~~
11 ~~make the funds available as loans, and they may be~~
12 ~~allowed to collect and retain loan repayments, provided~~
13 ~~that these repayments are reloaned in accordance with~~
14 ~~the requirements of this chapter, as it relates to funds~~
15 ~~used in support of code enforcement.~~

16 ~~SEC. 2. Section 50675.12 is added to the Government~~
17 ~~Code, to read:~~

18 ~~50675.12. The department shall prepare and provide~~
19 ~~annually a report to the Legislature no later than July 1~~
20 ~~that describes all of the following:~~

21 ~~(a) The number of persons housed pursuant to the~~
22 ~~program.~~

23 ~~(b) The extent of housing stability.~~

24 ~~(c) The demographic characteristics of those housed~~
25 ~~pursuant to the program, including veterans, people with~~
26 ~~mental illness, people with substance abuse histories,~~
27 ~~single adults, and families with children.~~

28 ~~(d) The counties and cities in which the housing is~~
29 ~~located.~~

30 ~~(e) The changes in income levels of those housed.~~

31 ~~(f) Improvements in health status, to the extent~~
32 ~~available.~~

33 ~~SEC. 3.—~~

34 ~~SEC. 2. Section 50800 of the Health and Safety Code~~
35 ~~is amended to read:~~

36 ~~50800. (a) It is the intent of the Legislature to~~
37 ~~encourage the provision of shelter, with effective~~
38 ~~personal rehabilitation and self-sufficiency development~~
39 ~~services, to homeless persons at as low a cost and as~~
40 ~~quickly as possible, without compromising the health and~~



1 safety of shelter occupants. It is also the intent of the
2 Legislature to encourage the move of homeless persons
3 from shelters to a self-supporting environment as soon as
4 possible, to encourage provision of services for as many
5 persons at risk of homelessness as possible, to encourage
6 compatible and effective funding of homeless services,
7 and to encourage coordination among public agencies
8 that fund or provide services to homeless individuals, as
9 well as agencies that discharge people from their
10 institutions, including, but not limited to, child welfare
11 agencies, health care programs, and jails and prisons.
12 Because many communities currently provide shelter
13 and limited services to individuals who are unable or
14 unwilling to comply with traditional housing programs
15 only during cold and wet weather and because
16 year-round shelter will encourage these individuals to
17 accept services and move toward permanent housing, it
18 is also the intent of the Legislature to increase the
19 availability of year-round shelter to meet the special
20 needs of those individuals, *including a safe haven that*
21 *provides supportive housing for seriously mentally ill*
22 *homeless persons.*

23 (b) There is hereby created the Emergency Housing
24 and Assistance Program.

25 (c) To the extent possible, the Emergency Housing
26 and Assistance Program shall ~~be consistent~~ *not conflict*
27 with the federal Stewart B. McKinney Homeless
28 Assistance Act, as approved on July 22, 1987, cited as
29 Public Law 100-77, as it is, from time to time, amended,
30 and regulations promulgated thereunder by the United
31 States Department of Housing and Urban Development,
32 or its successor.

33 ~~SEC. 4.—~~

34 *SEC. 3.* Section 50801 of the Health and Safety Code
35 is amended to read:

36 50801. As used in this chapter:

37 (a) “Department” means the Department of Housing
38 and Community Development.

39 (b) “Designated local board” means a group,
40 including social service providers and a representative of



1 local government, that has met department
2 requirements for distribution of grants allocated by the
3 department pursuant to this chapter.

4 (c) “Director” means the Director of Housing and
5 Community Development.

6 (d) “Eligible organization” means an agency of local
7 government or a nonprofit corporation that provides, or
8 contracts with community organizations to provide,
9 emergency shelter or transitional housing, or both.

10 (e) “Emergency shelter” means housing with minimal
11 supportive services for homeless persons that is limited to
12 occupancy of six months or less by a homeless person. No
13 individual or household may be denied emergency
14 shelter because of an inability to pay.

15 (f) “Nonurban county” means any county with a
16 population of less than 200,000, as published in the most
17 recent edition of Population Estimates of California Cities
18 and Counties, E-1, prepared by the Department of
19 Finance, Population Research Unit.

20 (g) “Region” means a county or a consortium of
21 counties voluntarily banding together by action of a
22 designated local board.

23 (h) “Safe haven” means supportive housing for
24 seriously mentally ill homeless persons, many of whom
25 have cooccurring substance abuse problems, ~~and persons~~
26 ~~with chronic substance addictions~~, that have been unable
27 or unwilling to participate in high demand housing
28 programs.

29 (i) “Transitional housing” means housing with
30 supportive services for up to 24 months that is exclusively
31 designated and targeted for recently homeless persons.
32 Transitional housing includes self-sufficiency
33 development services, with the ultimate goal of moving
34 recently homeless persons to permanent housing as
35 quickly as possible, and limits rents and service fees to an
36 ability-to-pay formula reasonably consistent with the
37 United States Department of Housing and Urban
38 Development’s requirements for subsidized housing for
39 low-income persons. Rents and service fees paid for



1 transitional housing may be reserved, in whole or in part,
2 to assist residents in moving to permanent housing.

3 (j) “Urban county” means any county that is not a
4 nonurban county.

5 ~~SEC. 5.—~~

6 *SEC. 4.* Section 50801.5 of the Health and Safety Code
7 is amended to read:

8 50801.5. (a) The department shall adopt regulations
9 for the administration of the Emergency Housing and
10 Assistance Program. The regulations shall govern the
11 equitable distribution of funds in accordance with the
12 intent and provisions of this chapter, and shall ensure that
13 the program is administered in an effective and efficient
14 manner. The regulations shall provide for reasonable
15 delegation of authority to designated local boards, ensure
16 that local priorities and criteria are reasonably designed
17 to address the needs of homeless people, and ensure that
18 designated local boards meet reasonable standards of
19 inclusiveness, accountability, nondiscrimination, and
20 integrity.

21 (b) The regulations adopted pursuant to this section
22 shall ensure that emergency shelter and services shall be
23 provided on a first-come, first-served basis for whatever
24 time periods are established by the shelter. No individual
25 or household may be denied shelter or services because
26 of an inability to pay. Nothing in this provision shall be
27 construed to preclude a shelter from accepting payment
28 vouchers provided through any other public or private
29 program so long as no shelter beds are reserved beyond
30 sundown for that purpose. Notwithstanding Section
31 11135 of the Government Code, nothing in this section
32 shall be construed to preclude a provider of emergency
33 shelter or transitional housing from restricting occupancy
34 on the basis of sex. However, in the case of families,
35 providers of emergency shelter or transitional housing
36 shall provide, *to the greatest extent feasible*, adequate
37 facilities within their range of services so that all members
38 of a family may be housed together, regardless of *age and*
39 *gender*.

40 ~~SEC. 6.—~~



1 SEC. 5. Section 50802 of the Health and Safety Code
2 is amended to read:

3 50802. (a) The department shall ensure that not less
4 than 20 percent of the moneys in the Emergency Housing
5 and Assistance Fund shall be allocated to nonurban
6 counties during any given fiscal year. If the funds
7 *designated for facilities operation that are* allocated to
8 nonurban counties are not ~~expended~~ awarded by the ~~end~~
9 ~~of that fiscal year, then it shall be allocated in the next~~
10 ~~fiscal year to urban counties according to subdivision (b).~~
11 *end of that fiscal year, then those unencumbered funds*
12 *shall be allocated in the next fiscal year to urban counties.*
13 *Funds for capital development that are not awarded by*
14 *the end of the second fiscal year shall be awarded in the*
15 *subsequent fiscal year to urban counties.*

16 (b) The amount of funds that the department allocates
17 from the Emergency Housing and Assistance Fund to
18 each region, excluding funds allocated pursuant to
19 subdivision (a), shall be based upon a formula that
20 accords at least 20 percent weight to each of the following
21 factors:

22 (1) The relative number of persons in the region
23 below the poverty line according to the most recent
24 federal census, updated, if possible, with an estimate by
25 the Department of Finance, compared to the total of the
26 urban counties.

27 (2) The relative number of persons unemployed
28 within each region, based on the most recent one-year
29 period for which data is available, compared to the total
30 of the urban counties.

31 (c) Grant funds shall be disbursed as expeditiously as
32 possible by the department.

33 (d) The department shall use not more than 4 percent
34 of the amount available for funds pursuant to this chapter
35 to defray the department's administrative costs pursuant
36 to this chapter.

37 ~~SEC. 7.—~~

38 SEC. 6. Section 50802.5 of the Health and Safety Code
39 is amended to read:



1 50802.5. (a) The department shall issue a notice or
2 notices of funding availability to potential applicants and
3 designated local boards, as applicable, as soon as possible
4 after funding becomes available for the Emergency
5 Housing and Assistance Program. Each notice of funding
6 availability shall indicate the amounts and types of funds
7 available under this program.

8 (b) A designated local board, or the department in the
9 absence of a designated local board, shall solicit, receive,
10 and select among applications for grants pursuant to this
11 chapter from eligible organizations through an open, fair,
12 and competitive process. These applications shall be
13 ranked and selected by a designated local board, or by the
14 department in the absence of a designated local board.

15 (c) Notwithstanding subdivision (b), the department
16 may restrict a designated local board from selecting any
17 application requesting a grant for capital developments
18 if the amount requested by the application exceeds the
19 limits determined by the department, and the
20 department determines that the designated local board
21 is not qualified to evaluate the application. The
22 department shall establish criteria for distinguishing
23 between a designated local board that may be so
24 restricted and a designated local board that would not be
25 so restricted. A designated local board may appeal to the
26 director, or to the director's designee, any decision made
27 by the department pursuant to this subdivision. The
28 department, by June 30, 2001, shall consider increasing
29 the maximum grant limits to three hundred thousand
30 dollars (\$300,000) for operating grants and five hundred
31 thousand dollars (\$500,000) for capital grants.

32 (d) The department, or the designated local board, as
33 applicable, shall not grant more than one million dollars
34 (\$1,000,000) to any eligible organization within a region
35 in a funding round even if the eligible organization has
36 filed multiple applications.

37 (e) The department shall determine requirements of
38 the grant contract and shall contract directly with the
39 grant recipient. The department shall not delegate this
40 function to the designated local boards. Eligible



1 designated local boards may use a percentage of the
2 regional award funds to defray administrative costs. The
3 department shall establish this percentage, which shall
4 not exceed 2 percent.

5 (f) The designated local board shall regulate the
6 performance of any grant contract within their region,
7 subject to department oversight and requirements
8 established by the department.

9 (g) The department shall not perform a secondary
10 rating or ranking review on those grant applications that
11 have been solicited, received, and selected by a
12 designated local board according to a local ranking
13 criterion that has been approved by the department.

14 ~~SEC. 8.—~~

15 *SEC. 7.* Section 50804 of the Health and Safety Code
16 is amended to read:

17 50804. (a) Each designated local board shall submit
18 to the department for approval, a local emergency shelter
19 strategy for its region, describing the procedures for
20 complying with requirements pursuant to this chapter
21 and the regulations promulgated thereunder. The
22 department shall establish, by regulation, the types of
23 information that each designated local board shall
24 include in the strategy, including, but not limited to, each
25 of the following:

26 (1) A statement of goals and how goals will be
27 achieved.

28 (2) A statement of priorities and how the priorities
29 complement the local continuum of care planning
30 process.

31 (3) A description of the application process and
32 ranking criteria for the Emergency Housing and
33 Assistance Program.

34 (4) Copies of application forms for the Emergency
35 Housing and Assistance Program that the designated
36 local board will use to evaluate requests for grants.

37 (5) A statement of how grant recipients shall be
38 encouraged to develop year-round emergency shelters
39 and transitional housing to meet the diverse needs of the
40 homeless populations that include families, youth, and



1 persons with physical and mental disabilities, people who
2 are addicted to alcohol and drugs, people living with
3 HIV/AIDS, veterans, the elderly, and pregnant women.
4 Also, a description of how the local plan serves the needs
5 of individuals and families at risk of homelessness as a
6 result of eviction.

7 (b) The department shall establish a deadline, by
8 which date the designated local board shall be required
9 to submit a strategy for the department’s review.

10 (c) Upon the department’s approval of a strategy, the
11 designated local board shall make the strategy broadly
12 available to shelter and service providers and to other
13 interested persons in its region.

14 ~~SEC. 9.—~~

15 *SEC. 8.* Section 53260 of the Health and Safety Code
16 is amended to read:

17 53260. For the purposes of this chapter, the following
18 definitions apply:

19 (a) “Council” means the Supportive Housing
20 Program Council.

21 (b) “Lead agency” means the State Department of
22 Mental Health, which shall be the governmental agency
23 that is primarily responsible for administering this
24 chapter.

25 (c) “Supportive housing” means housing with no limit
26 on length of stay, that is occupied by the target
27 population, and that is linked to onsite or offsite services
28 that assist the tenant to retain the housing, improve his or
29 her health status, maximize their ability to live and, when
30 possible, to work in the community. This housing may
31 include apartments, single-room occupancy residences,
32 or single-family homes.

33 (d) “Target population” means adults with low
34 incomes having one or more disabilities, including mental
35 illness, HIV or AIDS, substance abuse, or other chronic
36 health conditions, or individuals eligible for services
37 provided under the Lanterman Developmental
38 Disabilities Services Act (Division 4.5 (commencing with
39 Section 4500) of the Welfare and Institutions Code) and
40 may, among other populations, include families with



1 children, elderly persons, young adults aging out of the
2 foster care system, individuals exiting from institutional
3 settings, veterans, or homeless people.

4 ~~SEC. 10.—~~

5 *SEC. 9.* Section 53265 of the Health and Safety Code
6 is amended to read:

7 53265. (a) In order to encourage the integration of
8 housing and services, it is the intent of the Legislature to
9 promote interagency coordination and collaboration
10 among not only local private and public agencies, but also
11 among the state agencies responsible for the provision of
12 housing and support services to very low income
13 Californians.

14 (b) Therefore there is hereby established the
15 Supportive Housing Program Council to assist with the
16 implementation of this chapter.

17 (c) Members of the council shall include all of the
18 following:

19 (1) The following state officials or their designees.

20 (A) The Secretary of the Health and Welfare Agency.

21 (B) The Secretary of the Business, Transportation and
22 Housing Agency.

23 (C) The Directors of the State Department of Mental
24 Health, the State Department of Developmental
25 Services, the State Department of Social Services, the
26 State Department of Health Services, the California
27 Department of Aging, the Department of Housing and
28 Community Development, the State Department of
29 Alcohol and Drug Programs, the California Housing
30 Finance Agency, the Department of Rehabilitation, the
31 *California* Tax Credit Allocation Committee, and the
32 Department of Employment Development.

33 (2) Three consumer representatives from the target
34 population, appointed by the Secretary of the Health and
35 Welfare Agency, shall also serve on the council.

36 (d) The duties of the council shall include all of the
37 following:

38 (1) Developing, promoting, and implementing policy
39 supporting this chapter.



1 (2) Assisting the lead agency in reviewing the requests
2 for grant applications, reviewing grant applications
3 submitted to the lead agency, and providing the lead
4 agency with recommendations for awarding grants
5 pursuant to Section 53275.

6 (3) Reviewing input regarding program policy and
7 direction from individuals and entities with experience
8 with the target population.

9 (4) Assisting the lead agency to coordinate programs
10 under this chapter with special needs housing programs
11 offered by government or private lenders.

12 (5) Assisting the lead agency in fulfilling its
13 responsibilities under this chapter.

14 (6) Providing recommendations to the lead agency
15 regarding this chapter.

16 (7) At the request of the lead agency, assisting
17 agencies in planning and implementing this chapter
18 including assisting with local technical assistance.

19 ~~SEC. 11.~~

20 *SEC. 10.* Section 53275 of the Health and Safety Code
21 is amended to read:

22 53275. (a) Grants shall be awarded by the lead
23 agency based upon the recommendations of the council
24 and pursuant to this chapter. The lead agency shall issue
25 requests for applications for awarding the grants, which
26 shall specify maximum dollar amounts for which grants
27 may be awarded. The request for applications also shall
28 specify other criteria, as required by this chapter.
29 Applicants may apply for a single supportive housing
30 project, or may submit a single application for several
31 projects.

32 (b) The lead agency shall award grants as follows:

33 (1) Grants shall be awarded for up to a three-year
34 period except for grants from funds transferred to, *or*
35 *administered by*, the Department of Housing and
36 Community Development, and awarded for housing
37 costs, in which case the grants may be awarded for a
38 period not to exceed 15 years. Each award shall be in an
39 amount not to exceed two million dollars (\$2,000,000) for
40 a single project, or three million dollars (\$3,000,000) for



1 an application from a single jurisdiction for several
2 projects at the discretion of the lead agency, in
3 consultation with the council. At the discretion of the lead
4 agency, these grants may include up to twenty-five
5 thousand dollars (\$25,000) for one-time startup grants
6 which may be used, among other things, for purchasing
7 equipment or furniture, hiring staff, designing a program
8 evaluation, or hiring a consultant.

9 (2) All grants awarded under this subdivision shall be
10 matched by the grantee with fifty cents (\$0.50) for each
11 one dollar (\$1) awarded in the first year, one dollar (\$1)
12 for each one dollar (\$1) awarded in the second year, and
13 one dollar and fifty cents (\$1.50) for each one dollar (\$1)
14 awarded in the third year and, to the extent that this
15 funding continues, in subsequent years. The match shall
16 be contributed in cash or as services or resources of
17 comparable value. It is the intent of the Legislature that
18 participants seek and utilize private funds, or public
19 funds administered by the federal or local governments
20 for this purpose.

21 (3) In order to receive a grant under this chapter, an
22 applicant shall demonstrate a need for supportive
23 housing for low-income individuals with special needs
24 and a local commitment to providing funding for the
25 purpose of developing and operating supportive housing.

26 (c) A local nonprofit agency or local government
27 agency shall be eligible for a grant under this chapter if
28 it demonstrates in its program plan that it:

29 (1) Meets local priorities for supportive housing as
30 identified in a publicly adopted planning document, such
31 as the Consolidated Plan prepared for the Department of
32 Housing and Urban Development, the Continuum of
33 Care Plan, or a local plan for housing services for the
34 target population.

35 (2) Provides evidence that affordable housing linked
36 to services appropriate to the target population will be
37 made available.

38 (3) Has established collaborative agreements with
39 housing and service programs to deliver the necessary
40 services and housing to the target population.



1 (4) Requests funding supplements and does not
2 supplant existing funding.

3 ~~SEC. 12.—~~

4 *SEC. 11.* Section 53280 of the Health and Safety Code
5 is amended to read:

6 53280. The lead agency shall give preference to
7 proposals that do any of the following:

8 (a) Provide supportive housing to underserved target
9 groups for which few alternative resources are available.

10 (b) Demonstrate collaborative agreements between
11 entities that fund and provide local public and private
12 housing services.

13 (c) Demonstrate cost avoidance as compared to other
14 housing and service or institutional options available to
15 the specific target population.

16 (d) Propose to serve the target population with an
17 average income of not more than 100 percent of the
18 federal poverty guidelines, or higher at the discretion of
19 the council.

20 (e) Demonstrate the capacity and readiness to begin
21 operation of a supportive housing program within one
22 year of receiving the grant.

23 (f) Demonstrate linkages to programs established
24 under the Adult and Older Adult Mental Health System
25 of Care Act (Part 3 (commencing with Section 5801) of
26 Division 5 of the Welfare and Institutions Code), or other
27 integrated services projects supported with state or local
28 government funds.

29 ~~SEC. 13.—~~

30 *SEC. 12.* Section 53300 of the Health and Safety Code
31 is amended to read:

32 53300. (a) No more than 10 percent of the amount
33 appropriated in a fiscal year for the purposes of this
34 chapter may be used for state administration of this
35 chapter, including evaluation and technical assistance.
36 Technical assistance shall include, but is not limited to,
37 assisting with collaborations, providing information, and
38 convening training workshops. The Legislature shall be
39 notified of the administrative costs of this program
40 pursuant to Section 28 of the Budget Act.



1 (b) Notwithstanding the allocation of funds in the
2 Budget Act of 2000 for the supportive housing initiative
3 to the local assistance Item 4440-101-0001, up to 5 percent
4 of the funds may be spent for administrative costs, as
5 defined in subdivision (a).

6 ~~SEC. 14.~~

7 *SEC. 13.* Section 53311 is added to the Health and
8 Safety Code, to read:

9 53311. The lead agency shall annually prepare and
10 provide a report to the Legislature no later than July 1 of
11 each year that describes all of the following:

12 (a) The number of persons housed pursuant to the
13 program.

14 (b) The extent of housing stability.

15 (c) The demographic characteristics of those housed
16 pursuant to the program, including veterans, people with
17 mental illness, people with substance abuse histories,
18 single adults, and families with children.

19 (d) The counties and cities in which the housing is
20 located.

21 (e) The changes in income levels of those housed.

22 (f) Improvements in health status, to the extent
23 available.

