

AMENDED IN ASSEMBLY AUGUST 25, 2000

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 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 department to 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”~~ *“Safe Haven”* for purposes of the program. 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 awarded by the end of a specified period, to be allocated subsequently to urban counties. 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 a single project and \$3,000,000 for an application from a single jurisdiction for several projects. It would also authorize ~~5%~~ 10% 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 50675.12 is added to the Health
- 2 and Safety Code, to read:
- 3 50675.12. (a) The department shall include in the
- 4 annual report required by Section 50408 information that
- 5 describes all of the following:
- 6 (1) The number of projects assisted through the
- 7 program.
- 8 (2) The types of units assisted through the program.

1 (3) The location and geographical distribution of the
2 projects and units assisted.

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

4 (5) The number of projects and units that have been
5 assisted that serve special needs populations and
6 information related to the types of special needs
7 populations served.

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

25 SEC. 2. Section 50800 of the Health and Safety Code
26 is amended to read:

27 50800. (a) It is the intent of the Legislature to
28 encourage the provision of shelter, with effective
29 personal rehabilitation and self-sufficiency development
30 services, to homeless persons at as low a cost and as
31 quickly as possible, without compromising the health and
32 safety of shelter occupants. It is also the intent of the
33 Legislature to encourage the move of homeless persons
34 from shelters to a self-supporting environment as soon as
35 possible, to encourage provision of services for as many
36 persons at risk of homelessness as possible, to encourage
37 compatible and effective funding of homeless services,
38 and to encourage coordination among public agencies
39 that fund or provide services to homeless individuals, as
40 well as agencies that discharge people from their

1 institutions, including, but not limited to, child welfare
2 agencies, health care programs, and jails and prisons.
3 Because many communities currently provide shelter
4 and limited services to individuals who are unable or
5 unwilling to comply with traditional housing programs
6 only during cold and wet weather and because
7 year-round shelter will encourage these individuals to
8 accept services and move toward permanent housing, it
9 is also the intent of the Legislature to increase the
10 availability of year-round shelter to meet the special
11 needs of those individuals, including a ~~safe-haven~~ *Safe*
12 *Haven* that provides supportive housing for seriously
13 mentally ill homeless persons.

14 (b) There is hereby created the Emergency Housing
15 and Assistance Program.

16 (c) To the extent possible, the Emergency Housing
17 and Assistance Program shall not conflict with the federal
18 Stewart B. McKinney Homeless Assistance Act, as
19 approved on July 22, 1987, cited as Public Law 100-77, as
20 it is, from time to time, amended, and regulations
21 promulgated thereunder by the United States
22 Department of Housing and Urban Development, or its
23 successor.

24 SEC. 3. Section 50801 of the Health and Safety Code
25 is amended to read:

26 50801. As used in this chapter:

27 (a) “Department” means the Department of Housing
28 and Community Development.

29 (b) “Designated local board” means a group,
30 including social service providers and a representative of
31 local government, that has met department
32 requirements for distribution of grants allocated by the
33 department pursuant to this chapter.

34 (c) “Director” means the Director of Housing and
35 Community Development.

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

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

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

11 (g) “Region” means a county or a consortium of
12 counties voluntarily banding together by action of a
13 designated local board.

14 (h) “Safe ~~haven~~” *Haven*” means supportive housing
15 for seriously mentally ill homeless persons, many of whom
16 have cooccurring substance abuse problems, that have
17 been unable or unwilling to participate in high demand
18 housing programs.

19 (i) “Transitional housing” means housing with
20 supportive services for up to 24 months that is exclusively
21 designated and targeted for recently homeless persons.
22 Transitional housing includes self-sufficiency
23 development services, with the ultimate goal of moving
24 recently homeless persons to permanent housing as
25 quickly as possible, and limits rents and service fees to an
26 ability-to-pay formula reasonably consistent with the
27 United States Department of Housing and Urban
28 Development’s requirements for subsidized housing for
29 low-income persons. Rents and service fees paid for
30 transitional housing may be reserved, in whole or in part,
31 to assist residents in moving to permanent housing.

32 (j) “Urban county” means any county that is not a
33 nonurban county.

34 SEC. 4. Section 50801.5 of the Health and Safety Code
35 is amended to read:

36 50801.5. (a) The department shall adopt regulations
37 for the administration of the Emergency Housing and
38 Assistance Program. The regulations shall govern the
39 equitable distribution of funds in accordance with the
40 intent and provisions of this chapter, and shall ensure that

1 the program is administered in an effective and efficient
2 manner. The regulations shall provide for reasonable
3 delegation of authority to designated local boards, ensure
4 that local priorities and criteria are reasonably designed
5 to address the needs of homeless people, and ensure that
6 designated local boards meet reasonable standards of
7 inclusiveness, accountability, nondiscrimination, and
8 integrity.

9 (b) The regulations adopted pursuant to this section
10 shall ensure that emergency shelter and services shall be
11 provided on a first-come, first-served basis for whatever
12 time periods are established by the shelter. No individual
13 or household may be denied shelter or services because
14 of an inability to pay. Nothing in this provision shall be
15 construed to preclude a shelter from accepting payment
16 vouchers provided through any other public or private
17 program so long as no shelter beds are reserved beyond
18 sundown for that purpose. Notwithstanding Section
19 11135 of the Government Code, nothing in this section
20 shall be construed to preclude a provider of emergency
21 shelter or transitional housing from restricting occupancy
22 on the basis of sex. However, in the case of families,
23 providers of emergency shelter or transitional housing
24 shall provide, to the greatest extent feasible, adequate
25 facilities within their range of services so that all members
26 of a family may be housed together, regardless of age and
27 gender.

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

30 50802. (a) The department shall ensure that not less
31 than 20 percent of the moneys in the Emergency Housing
32 and Assistance Fund shall be allocated to nonurban
33 counties during any given fiscal year. If the funds
34 designated for facilities operation that are allocated to
35 nonurban counties are not awarded by the end of that
36 fiscal year, then those unencumbered funds shall be
37 allocated in the next fiscal year to urban counties. Funds
38 for capital development that are not awarded by the end
39 of the second fiscal year shall be awarded in the
40 subsequent fiscal year to urban counties.

1 (b) The amount of funds that the department allocates
2 from the Emergency Housing and Assistance Fund to
3 each region, excluding funds allocated pursuant to
4 subdivision (a), shall be based upon a formula that
5 accords at least 20 percent weight to each of the following
6 factors:

7 (1) The relative number of persons in the region
8 below the poverty line according to the most recent
9 federal census, updated, if possible, with an estimate by
10 the Department of Finance, compared to the total of the
11 urban counties.

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

16 (c) Grant funds shall be disbursed as expeditiously as
17 possible by the department.

18 (d) The department shall use not more than 4 percent
19 of the amount available for funds pursuant to this chapter
20 to defray the department's administrative costs pursuant
21 to this chapter.

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

24 50802.5. (a) The department shall issue a notice or
25 notices of funding availability to potential applicants and
26 designated local boards, as applicable, as soon as possible
27 after funding becomes available for the Emergency
28 Housing and Assistance Program. Each notice of funding
29 availability shall indicate the amounts and types of funds
30 available under this program.

31 (b) A designated local board, or the department in the
32 absence of a designated local board, shall solicit, receive,
33 and select among applications for grants pursuant to this
34 chapter from eligible organizations through an open, fair,
35 and competitive process. These applications shall be
36 ranked and selected by a designated local board, or by the
37 department in the absence of a designated local board.

38 (c) Notwithstanding subdivision (b), the department
39 may restrict a designated local board from selecting any
40 application requesting a grant for capital developments

1 if the amount requested by the application exceeds the
2 limits determined by the department, and the
3 department determines that the designated local board
4 is not qualified to evaluate the application. The
5 department shall establish criteria for distinguishing
6 between a designated local board that may be so
7 restricted and a designated local board that would not be
8 so restricted. A designated local board may appeal to the
9 director, or to the director's designee, any decision made
10 by the department pursuant to this subdivision. The
11 department, by June 30, 2001, shall consider increasing
12 the maximum grant limits to three hundred thousand
13 dollars (\$300,000) for operating grants and five hundred
14 thousand dollars (\$500,000) for capital grants.

15 (d) The department, or the designated local board, as
16 applicable, shall not grant more than one million dollars
17 (\$1,000,000) to any eligible organization within a region
18 in a funding round even if the eligible organization has
19 filed multiple applications.

20 (e) The department shall determine requirements of
21 the grant contract and shall contract directly with the
22 grant recipient. The department shall not delegate this
23 function to the designated local boards. Eligible
24 designated local boards may use a percentage of the
25 regional award funds to defray administrative costs. The
26 department shall establish this percentage, which shall
27 not exceed 2 percent.

28 (f) The designated local board shall regulate the
29 performance of any grant contract within their region,
30 subject to department oversight and requirements
31 established by the department.

32 (g) The department shall not perform a secondary
33 rating or ranking review on those grant applications that
34 have been solicited, received, and selected by a
35 designated local board according to a local ranking
36 criterion that has been approved by the department.

37 SEC. 7. Section 50804 of the Health and Safety Code
38 is amended to read:

39 50804. (a) Each designated local board shall submit
40 to the department for approval, a local emergency shelter

1 strategy for its region, describing the procedures for
2 complying with requirements pursuant to this chapter
3 and the regulations promulgated thereunder. The
4 department shall establish, by regulation, the types of
5 information that each designated local board shall
6 include in the strategy, including, but not limited to, each
7 of the following:

8 (1) A statement of goals and how goals will be
9 achieved.

10 (2) A statement of priorities and how the priorities
11 complement the local continuum of care planning
12 process.

13 (3) A description of the application process and
14 ranking criteria for the Emergency Housing and
15 Assistance Program.

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

19 (5) A statement of how grant recipients shall be
20 encouraged to develop year-round emergency shelters
21 and transitional housing to meet the diverse needs of the
22 homeless populations that include families, youth, and
23 persons with physical and mental disabilities, people who
24 are addicted to alcohol and drugs, people living with
25 HIV/AIDS, veterans, the elderly, and pregnant women.
26 Also, a description of how the local plan serves the needs
27 of individuals and families at risk of homelessness as a
28 result of eviction.

29 (b) The department shall establish a deadline, by
30 which date the designated local board shall be required
31 to submit a strategy for the department's review.

32 (c) Upon the department's approval of a strategy, the
33 designated local board shall make the strategy broadly
34 available to shelter and service providers and to other
35 interested persons in its region.

36 SEC. 8. Section 53260 of the Health and Safety Code
37 is amended to read:

38 53260. For the purposes of this chapter, the following
39 definitions apply:



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

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

(c) “Supportive housing” means 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 tenant to retain the housing, improve his or her health status, maximize their ability to live and, when possible, to work in the community. This housing may include apartments, single-room occupancy residences, or single-family homes.

(d) “Target population” means adults 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 (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may, among other populations, include families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, or homeless people.

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

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

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

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

(1) The following state officials or their designees.

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

2 (B) The Secretary of the Business, Transportation and
3 Housing Agency.

4 (C) The Directors of the State Department of Mental
5 Health, the State Department of Developmental
6 Services, the State Department of Social Services, the
7 State Department of Health Services, the California
8 Department of Aging, the Department of Housing and
9 Community Development, the State Department of
10 Alcohol and Drug Programs, the California Housing
11 Finance Agency, the Department of Rehabilitation, the
12 California Tax Credit Allocation Committee, and the
13 Department of Employment Development.

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

17 (d) The duties of the council shall include all of the
18 following:

19 (1) Developing, promoting, and implementing policy
20 supporting this chapter.

21 (2) Assisting the lead agency in reviewing the requests
22 for grant applications, reviewing grant applications
23 submitted to the lead agency, and providing the lead
24 agency with recommendations for awarding grants
25 pursuant to Section 53275.

26 (3) Reviewing input regarding program policy and
27 direction from individuals and entities with experience
28 with the target population.

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

32 (5) Assisting the lead agency in fulfilling its
33 responsibilities under this chapter.

34 (6) Providing recommendations to the lead agency
35 regarding this chapter.

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

39 SEC. 10. Section 53275 of the Health and Safety Code
40 is amended to read:

1 53275. (a) Grants shall be awarded by the lead
2 agency based upon the recommendations of the council
3 and pursuant to this chapter. The lead agency shall issue
4 requests for applications for awarding the grants, which
5 shall specify maximum dollar amounts for which grants
6 may be awarded. The request for applications also shall
7 specify other criteria, as required by this chapter.
8 Applicants may apply for a single supportive housing
9 project, or may submit a single application for several
10 projects.

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

12 (1) Grants shall be awarded for up to a three-year
13 period except for grants from funds transferred to, or
14 administered by, the Department of Housing and
15 Community Development, and awarded for housing
16 costs, in which case the grants may be awarded for a
17 period not to exceed 15 years. Each award shall be in an
18 amount not to exceed two million dollars (\$2,000,000) for
19 a single project, or three million dollars (\$3,000,000) for
20 an application from a single jurisdiction for several
21 projects at the discretion of the lead agency, in
22 consultation with the council. At the discretion of the lead
23 agency, these grants may include up to twenty-five
24 thousand dollars (\$25,000) for one-time startup grants
25 which may be used, among other things, for purchasing
26 equipment or furniture, hiring staff, designing a program
27 evaluation, or hiring a consultant.

28 (2) All grants awarded under this subdivision shall be
29 matched by the grantee with fifty cents (\$0.50) for each
30 one dollar (\$1) awarded in the first year, one dollar (\$1)
31 for each one dollar (\$1) awarded in the second year, and
32 one dollar and fifty cents (\$1.50) for each one dollar (\$1)
33 awarded in the third year and, to the extent that this
34 funding continues, in subsequent years. The match shall
35 be contributed in cash or as services or resources of
36 comparable value. It is the intent of the Legislature that
37 participants seek and utilize private funds, or public
38 funds administered by the federal or local governments
39 for this purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) Notwithstanding the allocation of funds in the Budget Act of 2000 for the supportive housing initiative to the local assistance Item 4440-101-0001, up to 5 10 percent of the funds may be spent for administrative costs, as defined in subdivision (a).

(c) Notwithstanding any other provision of law, the lead agency shall make all grant awards from funds allocated in the Budget Act of 2000 for the supportive housing initiative no later than June 30, 2001, and shall expend the funds allocated for those grants no later than June 30, 2004, except for grants awarded for housing costs, as specified in paragraph (1) of subdivision (b) of Section 53275.

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

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

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

- 1 (b) The extent of housing stability.
- 2 (c) The demographic characteristics of those housed
- 3 pursuant to the program, including veterans, people with
- 4 mental illness, people with substance abuse histories,
- 5 single adults, and families with children.
- 6 (d) The counties and cities in which the housing is
- 7 located.
- 8 (e) The changes in income levels of those housed.
- 9 (f) Improvements in health status, to the extent
- 10 available.

