



- b) “Qualifying services” includes one of three Medi-Cal benefits:
  - i. Services received under the Assisted Living Waiver,
  - ii. Services received under the Home and Community-Based Alternatives Waiver,
  - iii. Services received under the Program of All-Inclusive Care for the Elderly (PACE).
- 2) Requires HCD, by December 31, 2023, to award incentives, in MHP, to projects that do both of the following:
  - a) Set aside at least 25% of units, for individuals experiencing homelessness, or seniors receiving specified services; and
  - b) Demonstrate viability of linking the units to qualifying services.
- 3) Requires HCD to offer the project applicants the following incentives to set-aside units for individuals experiencing homelessness that are receiving Medi-Cal benefits:
  - a) Loan limits for impacted units that are higher than those offered to other units for people experiencing homelessness;
  - b) An exemption for project applicants to submit a services plan for units set aside under this section, so long as the project applicant has completed an executed agreement with a provider of qualifying services to offer services in set aside units;
  - c) An exemption from services caps imposed by HCD; and
  - d) Allowing project applicants to use funds made available under this chapter for creating alternative care sites for projects aligning with PACE or other service space to offer other qualifying services to eligible individuals.
- 4) Requires HCD to partner with the State Department of Health Care Services (DHCS) to determine the most effective way to align qualifying Medi-Cal services with housing projects that qualify for incentives, including:
  - a) Reducing administrative barriers to using qualifying services in publicly subsidized housing;
  - b) Creating partnerships between developers and providers of qualifying services;
  - c) Developing sample memoranda of understanding or contracts between developers and providers of qualifying services.

- 5) Requires HCD to assess the tenant outcomes for projects that receive priority points by hiring an evaluator to identify the following:
  - a) The number and demographics, including age, race, or ethnicity, and pre-subsidy housing status, of people being served;
  - b) Housing retention rates;
  - c) Tenant satisfaction survey results; and
  - d) Best practices and challenges in integrating the services and programs into projects funded by the department and potential recommendations for addressing those challenges.
  
- 6) Amends the California Community Care Facilities Act to do the following:
  - a) Adds to the definition of “community living support services,” assistance with independent activities of daily living or personal care, when needed; and
  - b) Authorizes the state in addition to counties to contract with agencies or individuals to assist persons with disabilities in securing their own homes and to provide person with disabilities with the supports needed to live in their own homes, including supportive housing.

**COMMENTS:**

- 1) *Author’s Statement.* “One of the biggest barriers to creating housing with services for people experiencing homelessness—supportive housing—is lack of funding for services. Medi-Cal offers services that allow people who risk institutionalization to live independently, including the Program for All-Inclusive Care for the Elderly (PACE), the Assisted Living Waiver (ALW), and the Home and Community-Based Alternatives Waiver (HCBAW). A number of projects integrate PACE services in housing; in these projects, people remain stably housed, avoid nursing homes, and improve their health outcomes. Yet, challenges prevent aligning these Medi-Cal programs with our HCD capital programs. AB 2483 requires HCD to offer incentives to supportive housing developers to set aside units for people eligible for PACE, ALW, or HCBAW, and to work with the Department of Health Care Services to reduce barriers to aligning Medi-Cal funded services with housing. In so doing, the bill will scale up best practices that allow older adults and people with disabilities experiencing homelessness to avoid institutionalization, exit homelessness for good, and receive the services they need and want. The bill also makes minor changes to State law, clarifying that these housing models do not require licensing.”

- 2) *Background: Older Homeless Population.* Approximately half of the single homeless adults are 50 and older with half of these adults first becoming homeless after age 50.<sup>1</sup> Homelessness contributes to lower life expectancy, especially among seniors. A 50 year old homeless person is likely to have health conditions and functional health status similar to, or worse than, someone 10-20 years older. In California, there are over 48,000 individuals over 55 who are experiencing homelessness, and over 100,000 homeless individuals reported having disabling conditions.<sup>2</sup> In California’s Master Plan for Aging, the first goal is “Housing for All Stages and Ages” and the first strategy of the first goal is to create more housing options with the first initiative to bolster housing production.<sup>3</sup> This bill aims to increase housing production for people who use Med-Cal benefits and better coordinate between housing and service agencies.
- 3) *Multifamily Housing Program.* MHP is the state’s flagship rental housing program to fund construction of deed-restricted, affordable rental housing for households at or below 60% of AMI. The program provides higher loan amounts for units that are for extremely low income households (those at or below 30% AMI). MHP has 275 million dollars of available funding in this year’s funding.<sup>4</sup>

MHP has a set-aside for senior projects, specifically which is proportionate to the population of low-income, elderly renters. This round of funding has approximately 20% of funds directed to this population. In addition, MHP offers points in its scoring system for programs that assist chronically homeless, homeless, other special needs, and agricultural households.

This bill requires HCD to offer incentives to projects that set-aside a percentage of units for people experiencing homelessness who receive one of three Medi-Cal benefits. Incentives include higher loan limits, exempting the development from a service plan, an exemption from service caps imposed by HCD, and allowing project applicants to use funds made available under this chapter for creating alternative care sites for projects aligning with PACE or other service space to offer other qualifying services to eligible individuals.

- 4) *Medi-Cal Services and Housing.* There are three programs that the state offers to help seniors and those with disabilities avoid placement in nursing homes.

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<sup>1</sup> Kushel, Margot. *Homelessness Among Older Adults: An Emerging Crisis.* Generations Journal. **Summer 2020.** Accessed June 2022. <https://generations.asaging.org/homelessness-older-adults-poverty-health>

<sup>2</sup> Cal-ICH Homeless Data Integration System. Accessed June 2022. <https://bcsh.ca.gov/calich/hdis.html>

<sup>3</sup> Master Plan for Aging. Accessed June 2022. <https://mpa.aging.ca.gov/Goals/1/>

<sup>4</sup> HCD SuperNOFA 2022. Accessed June 2022. <https://www.hcd.ca.gov/sites/default/files/2022-04/NOFA-AB-434-3-30-New.pdf>

The Assisted Living Waiver program has two goals: to facilitate a safe and timely transition from a nursing facility to a community home-like setting and to help people maintain living in a community home-like setting. The Home and Community Based Alternative Waiver helps people with coordinating a medical and behavioral health services in their home. Lastly, the PACE program similarly helps coordinate care for individuals living in their home.

Because there is no ongoing source of state funding for supportive services, developers rely upon a variety of sources including Medi-Cal, Mental Health Services Act dollars, local general relief funding, federal funds, and other local funding if it is available. However, housing and Medi-Cal programs are often siloed which makes it hard for them to work together. This bill incentivizes developers to partner with these services so that qualifying residents can use these services without having to navigate these programs alone.

5) *Double Referral*. This bill is also referred to the Senate Human Services Committee.

**RELATED LEGISLATION:**

**AB 140 (Chapter 11, Statutes of 2021)** — required MHP to have a set-aside for senior housing

**FISCAL EFFECT:** Appropriation: No    Fiscal Com.: Yes    Local: No

**POSITIONS: (Communicated to the committee before noon on Wednesday, June 8, 2022.)**

**SUPPORT:**

- Corporation for Supportive Housing (CSH) (Sponsor)
- All Home
- California Apartment Association
- California Housing Partnership Corporation
- CalPACE
- Cardea Health
- Center for Elders' Independence (CEI)
- East Bay Innovations
- Housing California
- LeadingAge California
- Los Angeles Homeless Services Authority
- National Association of Social Workers, California Chapter

On Lok Senior Health Services  
State Council on Developmental Disabilities  
Steinberg Institute  
United Way of Greater Los Angeles  
Wakeland Housing and Community Development Corporation

**OPPOSITION:**

None received.

**-- END --**