
SENATE COMMITTEE ON HOUSING
Senator Scott Wiener, Chair
2023 - 2024 Regular

Bill No:	AB 1285	Hearing Date:	7/10/2023
Author:	Wicks		
Version:	6/28/2023		
Urgency:	No	Fiscal:	Yes
Consultant:	Aiyana Cortez		

SUBJECT: Homeless Housing, Assistance, and Prevention program and Encampment Resolution Funding program

DIGEST: This bill requires continuums of care (CoCs) that share geographic boundaries with a city or county using state funding allocated pursuant to Homeless Housing, Assistance, and Prevention (HHAP) program or the Encampment Resolution Program (ERP) funding, to submit evidence of collaboration with the city or county that specifies how people served through encampment resolution will be included in prioritization for permanent housing within coordinated entry systems (CESs).

ANALYSIS:

Existing law:

- 1) Defines “CES” to mean a system developed for coordinating the implementation of a housing and service system within its geographic area that meets the needs of homeless individuals (including unaccompanied youth) and families and designed to coordinate homelessness program participant intake, assessment, and provision of referrals.
- 2) Establishes the California Interagency Council on Homelessness (Cal-ICH) to oversee and coordinate the implementation of Housing First guidelines and regulations in California, and to identify resources and services that can be accessed to prevent and end homelessness in California.
- 3) Establishes the HHAP program to provide jurisdictions with one-time grant funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges informed by a best-practices framework focused on moving homeless individuals and families into permanent housing, and supporting the efforts of those individuals and families to maintain their permanent housing.

- 4) Establishes the ERP program to increase collaboration between Cal-ICH, local jurisdictions and CoCs to assist local jurisdictions in ensuring the safety and wellness of people experiencing homelessness in encampments, to provide encampment resolution grants to resolve critical encampment concerns and transition individuals into safe and stable housing, and encourage a data-informed, coordinated approach to address encampment concerns
- 5) Requires, for a CoC to receive HHAP funding, the CoC to provide Cal-ICH data on the demographics and characteristics of the homeless populations in the jurisdiction and on current programs providing housing and homeless services.

This bill:

- 1) Requires CoCs that share geographic boundaries with a city or county using state funding allocated pursuant to HHAP or ERP funding to submit evidence of collaboration with the city or county that specifies how people served through encampment resolution will be included in prioritization for permanent housing within CESSs, beginning with round four of HHAP.

COMMENTS:

- 1) *Author's statement.* "Homelessness is one of the most challenging and complex social issues facing our state. The state is providing unprecedented resources to address the crises through the Homeless Housing, Assistance, and Prevention Program, Home Key, and the Encampment Resolution Program. AB 1285 helps to ensure greater coordination of these programs by requiring Continuums of Care, cities, and counties to consider how referrals to permanent housing through the Coordinated Entry System can prioritize people living in encampments for permanent housing."
- 2) *Homelessness crisis in California.* According to the most recent point in time (PIT) count, 171,521 people were experiencing homelessness in California—representing 30% of the nation's homeless population. Two-thirds of the homeless population in California is unsheltered. Over half (51%) of all unsheltered people in the US were in California. California has the largest concentration of severely unaffordable housing markets in the nation and the statewide average home value reached a new record in June 2022 at \$793,300. Over three quarters (78%) of extremely low-income households in California are paying more than half of their income on housing costs compared to just 6% of moderate-income households.

A lack of affordable housing is the biggest contributor to homelessness. As housing costs continue to rise, rent becomes less affordable for lower-income households, who are forced to live beyond their means (paying more than 30% of income on housing costs) or are pushed out of their homes, leading to rapid increases in homelessness. Variation in rates of homelessness cannot be explained by variation in rates of individual factors such as poverty or mental illness, however, cities with higher rents and lower rental vacancy rates (i.e., tighter housing markets) are directly linked to higher per capita rates of homelessness. Additionally, the data show that many people experiencing homelessness are employed; the problem is that their income alone often isn't enough to maintain stable housing. This can result in financial insecurity, which is both a main cause and a prolonging factor of homelessness.

- 3) *CoCs and the CES*. There are currently 44 CoCs across California's 58 counties. CoCs are often led by a county or non-profit organization, though in some cases, they are led by a city, and are composed of a number of representative organizations that serve individuals facing homelessness. These can include nonprofit homeless providers, governments, victim service providers, hospitals, mental health agencies, affordable housing developers, and law enforcement, among others. The US Department of Housing and Urban Development (HUD) requires CoCs to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness and enter it into a database. This is accomplished by using the Homeless Management Information System (HMIS), which is a local information technology system. Each CoC is responsible for selecting a HMIS software solution that complies with HUD's data collection, management, and reporting standards. HMIS in California is composed of each CoC's database. HUD requires each CoC's HMIS to comply with their data collection, management, and reporting standards and also requires CoCs to enter data from both the annual PIT count and annual Housing Inventory Count into HMIS.

The CES is an evidence-based strategy that focuses on housing and service coordination for people experiencing homelessness. HUD defines the CES as a "process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs." In 2013, HUD began requiring recipients of federal CoC grant funding to use the CES due to its proven efficacy in a number of different communities with significant homeless populations, including CoCs in California. The HMIS holds the information of the CES participants and creates a real-time list of individuals experiencing homelessness in communities so that providers can

match people to available housing resources and services to fit their needs. According to HUD, CES processes are intended to help communities prioritize people who are most in need of assistance. A CES can serve adults (age 18+), families (household with a child under age 18), and youth (age 18-24), and program services offered are tailored for people experiencing homelessness from each of these household types.

- 4) *Encampment resolution.* The ERP is a competitive grant program administered by the Cal-ICH that provides funds to CoCs, cities, and counties to fund actionable, person-centered local proposals that resolve the experience of unsheltered homelessness for people residing in encampments. Applicants of ERP grants may apply for ERP funds to mitigate homeless encampments. The ERP requires cities to demonstrate how they intend to use the funds to connect all of the individuals living in an encampment to services, supports, and housing and also demonstrate how they will coordinate with local partners to transition those living in encampments into permanent housing solutions. Many cities face challenges moving people into temporary or permanent housing because priority for services is assessed via the CES, unless the city has housing units or resources they control and can use to house people from encampments, but most do not. The 2021-22 Budget included \$50 million for ERP and \$300 million in the 2022-23 Budget.
- 5) *HHAP.* Created by AB 101 (Committee on Budget, Chapter 159, Statutes of 2019), HHAP is a state funded, block grant program designed to provide jurisdictions with funding to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. HHAP's flexible funding is informed by a "best-practices framework focused on moving homeless individuals and families into permanent housing and supporting the efforts of those individuals and families to maintain their permanent housing." To date, the state has awarded four rounds of funding throughout the state to cities, counties, and CoCs to address the homeless crisis. HHAP has received \$2.95 billion in funding from 2019 to 2023.
- 6) *Existing flexibility in coordinating entry.* CoCs can use CES to provide a balance between equity and a system that prioritizes people based on their individual needs with flexibility based on geographic needs. CES allows for dynamic policies and flexibility to meet local needs. For example:
 - a) As housing supply ebbs and flows, San Francisco builds in the assumption that referral criteria will loosen and tighten as more resources become available, referred to as dynamic prioritization.

- b) In Houston, Texas, their simple CES system is based on chronic homeless status and length of time experiencing homelessness to prioritize those with the greatest need.
- c) Dallas, Texas allows for flexibility to rehouse individuals that have recently become homeless but present barriers that increase their likelihood of experiencing long-term homelessness if not rehoused.
- d) Miami-Dade County allows for regular adjustment of prioritization for referrals to respond to shifts as needed.

Despite this flexibility, there are some concerns by observers that increased coordination is needed between local agencies receiving HHAP or ERP funding to ensure that those people experiencing homelessness receive the services and supports they need in a timely, orderly manner. This bill seeks to do this by requiring CoCs that share geographic boundaries with a city or county is using HHAP or ERP funds to submit evidence of collaboration with the city or county showing how people served through encampment resolution will be included in prioritization for permanent housing within CES.

- 7) *Double-referral.* This bill passed out of the Senate Human Services Committee on June 19 with a 5-0 vote.

RELATED LEGISLATION:

AB 1413 (Ting, 2023) — moves the administration of all housing homeless grant programs from Cal ICH to the Department of Housing and Community Development. *This bill is scheduled to be heard in this committee concurrently with this bill.*

AB 1377 (Friedman, 2023) — requires HHAP applicants to provide data and a narrative summary of specific and quantifiable steps that the applicant has taken to improve the delivery of housing and services to people experiencing homelessness or at risk of homelessness on transit facilities. *This bill is scheduled to be heard in this committee concurrently with this bill.*

AB 140 (Committee on Budget, Chapter 111, Statutes of 2021) — among other things, required Cal ICH to conduct a statewide assessment to identify state programs that provide housing or services to persons experiencing or at risk of homelessness, and to collect and analyze data from those programs necessary to provide a comprehensive view of the homelessness response system, as provided.

AB 1220 (Luz Rivas, Chapter 398, Statutes of 2021) — renamed HCFC to Cal ICH, named the Secretary of Cal HHS as co-chair, reconstituted the Cal ICH

membership, and required the Cal ICH to meet at least twice yearly with an advisory committee, among other things, and as provided.

AB 977 (Gabriel, Chapter 397, Statutes of 2021) — required recipients of state homeless programs to enter data on the individuals and families it serves into its local HMIS beginning on January 1, 2023.

AB 101 (Committee on Budget, Chapter 159, Statutes of 2019) — among other things, established and provided \$650 million in funding for the HHAP Program.

SB 1380 (Mitchell, Chapter 847, Statutes of 2016) — created the HCFC to coordinate the state’s response to homelessness and required California to adopt the Housing First model, as provided.

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

POSITIONS: (Communicated to the committee before noon on Wednesday, July 5, 2023.)

SUPPORT:

City of Berkeley (Sponsor)
City of Emeryville
City of Redwood City

OPPOSITION:

None received.

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