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

Bill No:	SB 456	Hearing Date:	3/21/2023
Author:	Menjivar		
Version:	2/13/2023		
Urgency:	No	Fiscal:	Yes
Consultant:	Mehgie Tabar		

SUBJECT: Multifamily Housing Program: nonprofit corporations: homeless or at-risk youth

DIGEST: This bill makes programmatic changes to the youth set-aside funds under the Department of Housing and Community Development's (HCD) Homekey program, as specified.

ANALYSIS:

Existing law:

- 1) Establishes the Multifamily Housing Program (MHP) at HCD to assist the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower-income households through loans to local government, non-profit developers, and for-profit developers.
- 2) Establishes the Homekey program at HCD, disbursed in accordance with MHP, to acquire, convert, rehabilitate, or capitalize operating subsidies for housing for individuals and families who are experiencing homelessness or who are at risk of homelessness.
- 3) Creates an 8% set aside of funding in the Homekey program for projects serving youth experiencing homelessness or at risk of homelessness, including youth currently and formerly in foster care through the age of 25.
- 4) Directs the California Interagency Council on Homelessness (Cal-ICH) under the state's Business, Consumer Services and Housing Agency, to establish goals to prevent youth homelessness and improve low-barrier and diverse housing opportunities.
- 5) Prescribes 17 statutory goals for the Cal-ICH, including, in relation to homeless youth:

- a) To promote systems integration to increase efficiency and effectiveness while focusing on designing systems to address the needs of people experiencing homelessness, including unaccompanied youth under 25 years of age.
- b) Setting goals to prevent and end homelessness among California's youth.
- c) Working to improve the safety, health, and welfare of young people experiencing homelessness in the state.
- d) Increasing system integration and coordinating efforts to prevent homelessness among youth who are currently or formerly involved in the child welfare system or the juvenile justice system.
- e) Leading efforts to coordinate a spectrum of funding, policy, and practice efforts related to young people experiencing homelessness.

This bill:

- 1) Adds nonprofit corporations as eligible applicants to receive grants disbursed in Homekey for housing projects solely serving homeless youth, youth at risk of experiencing homelessness, or current or former foster youth. Preference will be given to applications that have experience providing direct services.
- 2) Clarifies that any Homekey-funded program serving non-minor dependents in extended foster care does not require a referral through a coordinated entry system.

COMMENTS:

 Author's statement. "SB 456 will work to combat homelessness and housing instability for California's most vulnerable youth. We know that LGBTQ+ youth and youth of color are significantly overrepresented in youth homeless populations – up to 40% of unhoused youth identify as LGBTQ+, and African American youth are 83% more likely to experience homelessness than their peers. Current and former foster youth are also at an increased risk for experiencing homelessness – SB 456 will ensure that this population will be prioritized in the creation of new housing. Additionally, even though current law directs the California Interagency Council on Homelessness (formerly the Homeless Coordinating and Financing Council) to establish goals to prevent youth homelessness as well as support increasing the capacity of new and existing service providers, programs like Homekey 2.0 currently only allow public agencies to be the lead applicant for projects. This bill will expand program eligibility by allowing community-based organizations to directly apply for Homekey youth set aside funds."

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2) Homelessness in California. According to HUD's most recent point-in-time (PIT) count, on one night in January 2022, 171,521 people were experiencing homelessness in California—representing 30% of the nation's homeless population.¹ Over half (51%) of all unsheltered people in the US were in California and two-thirds (67%) of people experiencing homelessness in California were unsheltered.

While these numbers provide a snapshot of the state's homeless population, they likely underestimate the scope of the crisis because the PIT count only measures the homeless population on one day of the year. Moreover, the PIT count does not capture everyone experiencing homelessness, as some do not wish to be counted and others cannot be counted because their location is not known to those counting. People experiencing homelessness face a variety of challenges including food and income insecurity, as well as health problems; the homeless population faces a higher risk of exposure to communicable diseases such as COVID-19, influenza, strep throat, sexually transmitted diseases, Hepatitis C, HIV/AIDS, and tuberculosis, among others.

3) *Homeless youth in California*. The HUD PIT count breaks down its data on homelessness to report on specific sub-populations. For each population it reports both sheltered and unsheltered individuals.

On one night in January 2022, California reported the largest number of unaccompanied youth (9,590 people), accounting for more than a third of all unaccompanied youth nationally (32%).²

Young adults are less likely to be in families, and more likely to experience unsheltered homelessness. California accounted for 52 percent of all unsheltered unaccompanied youth (6,762 people) nationwide.³ This population is likely to be undercounted since they are more mobile throughout the day and receive services less often. Young adults often prefer to participate in services with other young people. Individually tailored services may be especially important for this group. Young adults exiting the foster care system also are at increased risk for experiencing homelessness.

4) *State funding for homeless youth*. For each of the last three years, the state budget has provided significant one-time funding to address youth homelessness through set-asides in larger pots of funding. HEAP, established

¹ The 2022 Annual Homeless Assessment Report to Congress. U.S. Department of Housing and Urban Development. Dec 2022. <u>https://www.huduser.gov/portal/sites/default/files/pdf/2022-AHAR-Part-1.pdf</u>

² Ibid.

³ Ibid.

in 2018, included a minimum 5% set-aside (\$25 million) to address youth homelessness. In 2019 and 2020, HHAP required a minimum 8% (\$24 million and \$52 million, respectively) set-aside for homeless youth. Many jurisdictions across the state have responded by investing even more than the required minimum in homeless youth; a March 2021 study notes that as of September 30, 2020, unaccompanied youth account for 9.2% of the people served by HEAP, and in the first round of HHAP funding, a total 10% of funds were invested in addressing youth homelessness. The Homekey program, however, which does not include a specific set-aside for youth, has thus far awarded less than 1% of its funding to projects explicitly serving youth.⁴

5) *Why call out youth homelessness?* Funding targeted to youth experiencing homelessness, as well as the availability of youth-specific services, is critically important to ending youth homelessness. Transition Aged Youth (TAY) are unlikely to utilize adult services, for a variety of reasons; for example, according to service providers, youth tend to choose to stay in unsheltered locations or with friends because they are often victimized in adult shelters. Unfortunately, youth experiencing homelessness are also at an unusually high risk for several life-threatening conditions including "not having their basic food and shelter needs met, untreated mental health disorders, substance use, sexually transmitted diseases and HIV infection, sexual trafficking, physical and sexual abuse, and suicide" which may also increase their risk for COVID-19 or other contagious infections.⁵

The most recent PIT count noted a drop in two populations—homeless youth and veteran populations—in California from 2020 to 2022. These are two populations that California has been intentional about targeting housing and services to in recent years, through significant investments. These drops are an early indication significant investments can yield results.

6) *Double-referral*. This bill is also referred to the Committee on Human Services.

RELATED LEGISLATION:

SB 234 (Wiener, 2021) — would have created the TAY Housing Program under the Homelessness Financing and Coordinating Council (HCFC) to provide grants

⁴ Simone Tureck Lee, *A Tale of Two Programs: The Status of Youth During the Rollout of HHAP and Homekey During the Pandemic*. (John Burton Advocates for Youth, March 2021) <u>https://www.jbaforyouth.org/wp-content/uploads/2021/03/A-Tale-of-Two-Programs-March-2021.pdf</u>

⁵ On the COVID-19 Front Line and Hurting: Addressing the Needs of Providers for Youth Experiencing Homelessness in Berkeley and Alameda County, UC Berkeley Public Health, (May 2020).

for the development of housing for TAY in the form of forgivable loans. *This bill* was held on suspense in the Assembly Appropriations Committee.

SB 918 (Wiener, Chapter 841, Statutes of 2018) — established the Homeless Youth Act of 2018 and requires the HCFC to take on additional related responsibilities focused on addressing the needs of youth experiencing homelessness.

AB 824 (Lackey, 2018) — would have created the Transitional Housing for Homeless Youth Grant Program in the Office of Emergency Services to award grants to nonprofit entities providing specified services to homeless youth aged 18 to 24, and allocated \$15 million General Fund to the program. *This bill was held on suspense in the Assembly Appropriations Committee.*

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

POSITIONS: (Communicated to the committee before noon on Wednesday, March 15, 2023.)

SUPPORT:

Alliance for Children's Rights (Co-Sponsor) California Coalition for Youth (Co-Sponsor) Children Now (Co-Sponsor) Alliance of Child and Family Services Aspiranet **Bright Futures for Youth** California Apartment Association **Community Human Services Covenant House California** Family Assistance Program Florence Crittenton Services of Orange County, INC. Home Start, INC Redwood Community Action Agency's Youth Service Bureau Safe Place for Youth San Diego Youth Services Social Advocates for Youth

OPPOSITION:

None received.