
SENATE COMMITTEE ON HUMAN SERVICES

Senator Hurtado, Chair
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Consultant: Marisa Shea

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Subject: Transition Aged Youth Housing Program

SUMMARY

This bill establishes the Transition Aged Youth (TAY) Housing Program (Program) for the purpose of creating housing for TAY under 26 years of age, as defined. The bill requires the Homeless Coordinating and Financing Council (HCFC) to award grants, in the form of forgivable deferred loans, to local government agencies and nonprofit corporations for the purpose of capital development programs, as specified. Finally, this bill creates a TAY Housing Fund (Fund) within the State Treasury that would continuously be appropriated to the HCFC for the purposes of the program and appropriates one hundred million from the general fund to the HCFC for deposit into the fund for the purpose of implementing and administering the program.

ABSTRACT

Existing Law:

- 1) Establishes a system of juvenile dependency for children for specified reasons, including but not limited to children who are, or are at risk of, being physically, sexually, or emotionally abused, being neglected or being exploited, to ensure their safety, protection, and physical and emotional well-being, as specified and designates that a child who meets certain criteria is within the jurisdiction of the juvenile court, as specified. (*WIC 300 et seq.*)
- 2) Provides for extended foster care funding for youth until age 21, provided certain participation requirements are met as provided. (*WIC 241.1; 303; 366.3; 388; 391; 450; 11400; 11402; 11403*)
- 3) Defines “nonminor dependent” as a current or former foster youth who is between 18 and 21 years old, in foster care under the responsibility of the county welfare department, county probation department, or Indian Tribe, and participating in a transitional independent living plan, as specified. (*WIC 1400(v)*)

- 4) Defines “Transitional Housing Program for Nonminor Dependents” (THP-NMD) to mean transitional housing program (THP) serving NMDs between the ages of 18 and 21. (*WIC 16522.1(a)(2)*)
- 5) Defines “supervised independent living placement” (SILP) as, on and after January 1, 2012, an independent supervised setting, as specified in a NMD’s transitional independent living case plan, in which the youth is living independently, as specified by federal law. (*WIC 11400(w)*)
- 6) Defines “supervised independent living setting” as including both a SILP, a residential housing unit certified by the transitional housing placement provider operating a THP program for NMDs, as specified, and a transitional living setting approved by the county to support youth who are entering or re-entering foster care or transitioning between placements, as provided, and further specifies that a transitional living setting shall not include a youth homelessness prevention center or an adult homeless shelter. (*WIC 11400(x)*)
- 7) Requires the California Department of Social Services (CDSS), in consultation with stakeholders, to define how certain supervised independent living settings meet health and safety standards suitable for nonminors. (*WIC 11403(i)*)
- 8) Requires county placement agencies to, on a regular basis, conduct an evaluation of the county’s placement resources and programs in relation to the needs of children placed in out-of-home care, as specified. (*WIC 16001(a)*)
- 9) Establishes the HCFC and requires it to set and measure progress toward goals to prevent and end homelessness among youth in California by setting specific, measurable goals aimed at preventing and ending homelessness among youth in the state and defining outcome measures and gathering data related to the goals. (*WIC 8255 et seq.*)
- 10) Requires the HCFC to set and measure progress towards goals to prevent and end homelessness among youth in California, as provided. As well as coordinate a spectrum of funding, policy, and practice efforts related to young people experiencing homelessness, by coordinating with young people experiencing homelessness, CDSS, and other appropriate state and county agencies and departments and provide technical assistance and program development, as provided. (*WIC 8261*)
- 11) Under federal law, defines homeless children and youth as individuals who lack a fixed, regular, and adequate nighttime residence, and includes children and youth who are sharing the housing of other persons; children and youth who have a primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; children and youth who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and migratory children, as specified, who qualify as homeless because they are living in certain circumstances. (*42 USC 11301 et seq.*)
- 12) Establishes a state advisory group, as specified, in order to identify existing programs dealing with runaway and homeless youth, develop a directory of service providers, and

compile statistics on runaway and homeless youth, among other duties and responsibilities (*WIC 1785-1786*)

- 13) Establishes homeless youth emergency pilot projects in counties of Los Angeles and San Francisco to examine the conditions of, and create a profile of, homeless youth in order to provide for their emergency survival needs and to assist them in reunification with their parents or in finding a suitable home. (*WIC 13700*)
- 14) Expands these pilot projects to counties of San Diego and Santa Clara and requires Office of Criminal Justice Planning to issue grants to private, nonprofit agencies with a demonstrated record of success in the delivery of services to homeless youth, as specified. (*WIC 13701*)
- 15) Establishes a licensure category for runaway and homeless youth shelters to provide 24-hour nonmedical care and services to youth aged 12 to 17 who voluntarily enter the shelter up to a maximum of 21 days, under specified conditions. (*HSC 1502.35*)

This Bill:

- 1) Makes legislative declarations regarding California's poverty rate and regarding the risk of housing instability for TAYs who are in the foster care system, formerly in the foster care system, experiencing youth homelessness, or under probation supervision.
- 2) Provides several definitions for the purposes of this bill including the following:
 - a) "Current or former foster youth" means youth under 26 years of age who are currently or were formerly removed from their home pursuant to applicable Welfare and Institutions Code sections;
 - b) "Eligible activities" includes, but is not limited to, either funding capital development programs, such as acquisition, leasing, construction, and rehabilitation of sites for emergency shelter, transitional housing, and permanent supportive housing for transition aged youth, and/or capital development loans for the conversion of emergency shelter or transitional housing to permanent supportive housing for transition aged youth;
 - c) "Eligible organization" means an agency of local government or a nonprofit corporation that provides, or contracts with community organizations to provide, emergency shelter or transitional housing, or both;
 - d) "Homeless youth" means an unaccompanied youth between 12 and 24 years of age, inclusive, who is experiencing homelessness; and
 - e) "Transition aged youth (TAY)" means either a current or former foster youth or a homeless youth.

- 3) Establishes the TAY Housing Program to create housing for youth under 26 years of age, who have been removed from their homes, are experiencing homelessness unaccompanied by a parent or legal guardian, or under the jurisdiction of the dependency court.
- 4) Requires the HCFC to develop, implement and administer the Program.
- 5) Creates the Transition Aged Youth Housing Fund within the State Treasury and specifies that all money in the Fund be continuously appropriated to the HCFC for the purposes of the program without regard to fiscal year.
- 6) Requires the HCFC award grants to eligible organizations for the development of housing for TAY, as provided, and further provides that grants awarded by HCFC be used by the recipient to defray costs of eligible activities.
- 7) Requires the HCFC distribute funds appropriated for eligible activities as grants in the form of forgivable deferred loans, subject to the following:
 - a) Funding shall be made available as a loan with a term of five years for rehabilitation, seven years for substantial rehabilitation, 10 years for acquisition and rehabilitation or new construction, or 20 years for conversion to permanent supportive housing for TAY;
 - b) Each deferred loan shall be secured by a deed of trust and promissory note, and repayment of the loan shall be deferred as long as the project is used as an emergency shelter, permanent supportive housing or transitional housing for TAY, with the loan forgiven at the completion of the specified year term;
 - c) If a transfer or conveyance of the project property occurs before the council forgives the loan, and the transfer or conveyance results in the property no longer being an emergency shelter, permanent supportive housing or transitional housing for TAY, the HCFC shall terminate the grant and require the repayment of the deferred loan in full; and
 - d) A project may opt for the HCFC to not forgive the loan, and the project property's use shall not be restricted once the loan is paid in full.
- 8) Provides that the HCFC shall distribute up to one hundred million dollars, as expeditiously as possible, for this program consistent with the following requirements:
 - a) At least 47.5 percent of funds available shall be made available to eligible organizations for projects to house current foster youth between the ages of 18 to 21, inclusive;
 - b) No more than five percent of the available funds shall be expended on program administration, including state operations expenditures and technical assistance, unless the 47.5 percent of funds is unable to be spent on housing for current foster

youth due to lack of applications then remaining funds may be expended on program administration; and

- c) Remaining funds shall be made available to eligible organizations for eligible activities consistent with this chapter.
- 9) Provides the HCFC with the final decision authority for the approval or denial of an application and the determination of amount of funding.
- 10) Requires the HCFC develop and set forth the criteria for evaluating applications in a notice of funding availability and further requires they award grants to applicants that best meet the criteria. Requires the HCFC to specify the minimum and maximum grant award amounts in the notice of funding availability and may vary the amounts for urban and nonurban counties.
- 11) Requires the HCFC to terminate grant awards for projects that have not begun construction within 12 months of the award and reallocate the funds, or provide an extension by an additional period of no more than 12 months, at the discretion of the HCFC.
- 12) Requires funded applicants to provide the council with a list of all subrecipients.
- 13) Requires the HCFC maintain and make available to the public on its internet website the records of all of the following: the number of applications for funding received by the HCFC; the number of applications for program funding the HCFC denied; the name of each recipient of program funds and any subrecipients; and the number of new and converted units created for TAY, by year.
- 14) Exempts the HCFC from the rulemaking provisions of the Administrative Procedure Act for the purposes of the program.
- 15) Appropriates a sum of one hundred million dollars from the General Fund to the HCFC for deposit into the TAY Housing Fund for the purpose of developing, implementing, and administering this program.

FISCAL IMPACT

This bill has not yet been heard by a fiscal committee.

BACKGROUND AND DISCUSSION

Purpose of the Bill:

According to the author, "California is simultaneously facing a pandemic, an economic crisis, and a housing crisis, and transition age youth are struggling with the effects of all three. SB 234 rightfully prioritizes the issue of chronic youth homelessness and will give kids the footing they need to transition into an independent and successful adult life." The author further states that,

“SB 234 allocates \$100 million for a forgivable loan program to build affordable housing prioritizing our most marginalized youth: those exiting homelessness, exiting foster care, or exiting the criminal justice system.”

Child Welfare Services (CWS)

California’s child welfare services (CWS) system is an essential component of the state’s safety net. CWS’ goal is to keep the child in their own home when it is safe, and when the child is at risk, to develop an alternate plan as quickly as possible. Social workers in each county who receive reports of abuse or neglect, investigate and resolve those reports. When a case is substantiated, a family is either provided with services to ensure a child’s well-being and avoid court involvement, or a child is removed and placed into foster care.

Abused and neglected children who have been removed from their homes fall under the jurisdiction of the county’s juvenile dependency court. The dependency court holds legal jurisdiction over the child, while the child is served by a CWS system social worker. This system seeks to ensure the safety and protection of these children, and where possible, preserve and strengthen families through visitation and family reunification. The CWS system provides multiple opportunities for the custody of a foster child, or the child’s placement outside of the home, to be evaluated, reviewed and determined by the judicial system, in consultation with the child’s social worker to help provide the best possible services to the child. It is the state’s goal to reunify a foster child or youth with their biological family whenever possible. In instances where reunification is not possible, it is the state’s goal to provide a permanent placement alternative, such as adoption or guardianship, with the second highest placement priority of the CWS system being to unite children with other relatives or nonrelative extended family members.

As of October 1, 2020, there were 60,045 children in California’s CWS system.

Extended Foster Care

Every year approximately 2,000 foster children “age out” of foster care when they turn 21. These youth enter adulthood without traditional safety nets and relationships enjoyed by their peers who were not involved in the foster care system. Extended Foster Care (EFC) was created in recognition of the unique needs of former foster youth transitioning between childhood and adulthood. It is intended to bridge the gap between the intensive supervision of foster care and unsupervised adulthood by maintaining a safety net of support while providing the youth aged 18 to 21 with independence as well as educational or work opportunities. It was prompted by the recognition that many youth were unable to successfully transition from foster care or group care to adulthood without additional guidance and assistance.

In 2010, California enacted AB 12 (*Beall, Chapter 559, Statutes of 2010*), which permits foster youth to remain in extended foster care until age 21, under the same criteria as federal statute.¹ Remaining in care after 18 is voluntary, non-minor dependents (NMDs) may choose to exist foster care at 18 or at any time before age 21. While in extended foster care, youth continue to receive certain benefits and supports associated with foster care, such as case management

¹ Fostering Connections to Success and Increasing Adoptions Act of 2008, *P.L. 110-351*

services from the county welfare department, which may include family finding and engagement services or other efforts to help the youth build lasting relationships and connections, the ability to remain in a foster family placement, and a monthly foster care payment. NMDs may receive their foster care payment directly or it may go to their foster parent or housing/services provider, depending on their placement type. However, as a condition of remaining in extended foster care, youth must submit a transitional living plan to the court, which must include specified criteria regarding the youth's planned living arrangements, work and/or education. Since remaining in care after 18 is voluntary, existing law allows qualifying non-minors who are former foster youth under the age of 21 to petition the court for re-entry into foster care to participate in extended foster care, as provided. This allows qualifying youth who chose to exit care before age 21 to return to care and have their benefits and supports reinstated.

As of October 1, 2020 there were an estimated 8,256 youth participating in extended foster care in California.

Impact of the COVID-19 Pandemic on Extended Foster Care

Temporary changes to extended foster care have been implemented as a result of the COVID-19 pandemic. Executive Order N-53-20 suspended the requirements for physical, in person, face-to-face applications, meetings, visit and signature requirements for youth entering or reentering extended foster care. It also provided a temporary extension of EFC payments for all NMDs who turn 21 years old while they are in extended foster care between April 17, 2020 and June 30, 2020. SB 115 (*Committee on Budget and Fiscal Review, Chapter 40, Statutes 2020*) appropriated \$28,629,000 to fund the costs associated with continuing extended foster care assistance payments until June 30, 2021 for any NMD who met eligibility requirements for the EFC program but then lost their employment or experienced a disruption in their education as a result of the COVID-19 pandemic. This allows NMDs who would have otherwise aged out of EFC during the pandemic to continue receiving monthly assistance payments, helping them remain housed and supported during the pandemic.

These changes temporary changes resulting from the COVID-19 pandemic are necessary to help keep youth in EFC stably housed during the pandemic. However, some stakeholders suggest that this has resulted in further strain on certain housing types that serve TAY because youth who would have aged out of foster care and vacated their housing continue to remain in their placements. While this continuity of placement is necessary during this severe economic instability and public health crisis, it also creates shortages of housing options for youth entering EFC. Thus this bill could help increase housing availability for these impacted youth, as they will likely continue to be impacted by the economic fall out of the pandemic long after it is over

Youth Homelessness

In 2019, California reported the largest numbers of unaccompanied youth experiencing homelessness in the United State Department of Housing and Urban Development (HUD) 2019 Point in Time (PIT) count. HUD reports that over one third of all unaccompanied youth experiencing homelessness are in California, or 11,993 individuals.² Additionally, California accounted for 9,465 unsheltered unaccompanied youth experiencing homelessness, or 55 percent

² <https://www.huduser.gov/portal/sites/default/files/pdf/2019-AHAR-Part-1.pdf>

of the nationwide total. The City and County of Los Angeles reported the highest number of unaccompanied homeless youth in the country, with a reported 2,884 counted during the 2019 PIT count.

A PIT count has not been performed since the pandemic began impacting California's communities, so we do not know to what extent these numbers have changed in the past two years. Furthermore, the PIT count is just a snapshot of the state's homelessness during a single night in 2019, and is thought to likely underestimate the scope of the crisis because it only measure the homeless population on one day of the year and it does not capture everyone experiencing homelessness, as some do not wish to be counted or cannot be counted because their location is unknown to the counters. This is particularly true for youth experiencing homelessness, who may be couch surfing or sheltering in other areas unknown to and unseen by the counters. Thus, it is commonly thought that the numbers from the PIT count are an undercount.

Additionally, certain youth subgroups are at greater risk to experience homelessness. Through their 2021 Policy Platform, California Coalition for Youth (CCY) highlights the disparate impact youth homelessness has on California's youth and young adults. The data shows:

- Youth without a High School Diploma or GED are at higher risk of experiencing homelessness by 346 percent;
- Unmarried parenting youth are at higher risk of experiencing homelessness by 200 percent;
- African American youth are at higher risk of experiencing homelessness by 83 percent; and
- Youth who identify as LGBTQ+ are at higher risk of experiencing homelessness by 120 percent

Former foster youth are also at high risk of experiencing homelessness. An annual study of California's foster youth and former foster youth participating in THP-NMD and THP-Plus programs (both of which are discussed below) conducted by John Burton Advocates for Youth found that more than half of the youth in THP-Plus had experienced homelessness prior to entering the program and nearly one third entered the program directly from homelessness or unstable housing. This study further reported that 25 percent of THP-NMD youth had experienced homelessness prior to entering the program and 8 percent of youth who entered THP-NMD had done so directly from homelessness or unstable housing.³

While TAY experiencing homelessness may be eligible for various types of state and local assistance, smaller amounts of funding are typically allocated specifically for youth needs. Recent state programs to broadly address homelessness have dedicated between 5 percent and 10 percent specifically to youth. This funding and the availability of youth specific services are critically important to ending youth homelessness as TAY experiencing homelessness have different service needs and a different path to stability than others experiencing homelessness.

³ <https://www.jbaforyouth.org/wp-content/uploads/2017/09/2016-17-THPFC-THP-Plus-Annual-Report-1.pdf>

Additionally, TAY are unlikely to utilize adult services for a variety of reasons,⁴ meaning without youth specific services TAY experiencing homelessness often go unserved.

Stakeholders believe there has been a significant increase in youth experiencing homelessness during the pandemic due to the economic impacts the pandemic has had and the strain put on families during this time.

Additionally, advocates report that the COVID-19 pandemic has exacerbated California's youth homelessness crisis by further complicating the path to stability for youth experiencing homelessness and contributing to additional homeless experiences. CCY received 312 survey responses from youth residing in 25 different counties. Collectively, the responses showed that COVID-19 added complexity to the typical concerns and instability presented by young people experiencing homelessness, as the pandemic created changes in their housing, education, and employment.⁵ Additionally, in their For the Good of Us All report, the University of California, Berkeley (UCB) School of Public Health reported the risk of COVID-19 infection for youth experiencing homelessness "is increased by their tendency to have to frequently change where they are sleeping, to be intermittently unsheltered, and to change with whom they are sheltering."⁶ 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 infection.⁷

Transitional Housing Programs for Foster Youth

The following housing programs are available for youth and young adults in foster care:

Transitional Housing Placement Program (THPP): THPP placements provide safe living environments for youth who are 16 to 18 years old and participating in an Independent Living Program (ILP). The goal of this placement is to provide youth with a housing environment where they can safely learn and practice independent living and self-sufficiency. Participants are able to live alone, with CDSS approval, with a host family or with roommates in apartments or single-family dwellings. Participating youth are supported and supervised by THPP agency staff, who may live onsite, county social workers and ILP coordinators. The THPP agency, county social worker and ILP coordinators provide the youth with supportive services including, but not limited to: educational guidance, employment counseling, and assistance in reaching the youth's emancipation goals outlined in the youth's Transitional Independent Living Plan. Program rules prohibit temporary housing accommodations, including supervised or privately operated shelters, and temporary housing provided by friends or family.

⁴ For more information on the challenges faced by youth experiencing homelessness in adult service settings see the Senate Human Services Committee's background paper from an October 2017 informational hearing on youth experiencing homelessness: https://shum.senate.ca.gov/sites/shum.senate.ca.gov/files/10-10-17_joint_informational_hearing_background_paper_0.pdf

⁵ <https://calyouth.org/california-coalition-for-youth-2021-homeless-youth-survey/>

⁶ <https://publichealth.berkeley.edu/wp-content/uploads/2020/04/For-the-Good-of-Us-All-Report.pdf>

⁷ *Id.*

Transitional Housing Placement Program for Non-Minor Dependents (THP-NMD): When AB 12 enacted extended foster care, the legislation also created the Transitional Housing Placement Program + Foster Care placement, now known as THP-NMD. This placement provides NMDs, 18 to 21 year olds, with transitional housing and supportive housing based on the youth's Transitional Independent Living Plan. Youth participating in a THP-NMD placement receive case management, supervision, and supportive services from their THP-NMD provider. The goal of these services is to help the NMD transition to independent living by helping them meet education goals, obtain gainful employment, learn financial management and other daily living skills. NMDs are placed in THP-NMD settings based on an assessment of the NMD's strengths and needs, and their THP-NMD setting may use any of the following three housing models:

- Host Family: Placement where the NMD lives with a caring adult who has been selected and approved by the THP provider;
- Single Site: Placement where the NMD lives in an apartment, condominium, or single family dwelling rented or leased by the THP-NMD provider, in which one or more adult employees of the THP-NMD provider resides on site; or
- Remote Site: Placement where the NMD lives in a single housing unit rented or leased by the housing provider. The NMD lives independently but still receives regular supervision from the provider.

According to a THP-Plus and THP-NMD report published by the John Burton Advocates for Youth, on April 1, 2017 there were 1,661 NMDs placed in THP-NMD. Additionally, at that time, remote-site housing accounted for 85 percent of the placement types utilized by THP-NMD participants.

As of January 2017 there were only 66 providers licensed by CDSS to provide THP-NMD placements in 30 counties.

Transitional Housing Program-Plus (THP-Plus): The THP-Plus program provides housing for former foster youth between the ages of 18 and 24 who exited foster care on or after their 18th birthday. A qualifying youth can then receive THP-Plus housing and services for 24 cumulative months, or until they turn 24 if that occurs before their 24 month clock has run. To participate, an eligible youth must be actively pursuing the goals of their Transitional Independent Living Program, which will be reviewed and updated annually. Additionally, the youth must report any changes to their Transitional Independent Living Program to their ILP coordinator, including but not limited to changes in their address, living circumstances, or education training. Residential units including apartments, single family dwellings, condominiums, college dormitories, and host family models may all qualify as an acceptable residential unit for the purposes of a THP-Plus placement. In April of 2017 there were approximately 1,500 youth in THP-Plus placements.⁸

These placements are not licensed by CDSS, but rather certified by the county social services agency who must ensure certain health and safety standards are met and must certify that the program is needed by the county and the provider is capable of effectively operating the program and meeting the needs of the identified population.

⁸ <https://www.jbaforyouth.org/wp-content/uploads/2017/09/2016-17-THPFC-THP-Plus-Annual-Report-1.pdf>

Some counties have chosen to extend THP-Plus programs so that they can provide services for 36 cumulative months to former foster youth who are not more than 25 years of age, as allowed for by SB 1252 (*Torres, Chapter 774, Statutes 2014*). According to CDSS, approximately 40 counties have opted into this THP-Plus extension.

Supervised Independent Living Placements (SILPs): NMDs in extended foster care also have the option of living in an SILP. This allows the youth to live independently while still receiving the supports and services extended foster care provides. In an SILP a youth lives in an apartment, house, condominium, room and board arrangement, or college dorm, either alone or with an approved roommate, while still under the supervision of their social worker or probation officer. A SILP may also include a transitional living setting approved by the county to support youth who are entering or reentering foster care or transitioning between placements, but prohibits this setting from including a youth homelessness prevention center or an adult homeless shelter. A youth must be approved to live in an SILP, this occurs through them undergoing a SILP Readiness Assessment that reviews the youth's preparedness to live independently. If this assessment finds the youth is ready for a SILP, then the housing arrangement the youth has found must undergo and pass a health and safety inspection which is conducted by the county within 10 calendar days. If the residence passes this inspection, a Placement Agreement is completed by the NMD and their social worker or probation officer whereby they agree that the placement has met certain safety standards and is an appropriate placement for the youth.

This bill would require 47.5 percent of the funding placed in the TAY Housing Fund to be awarded to projects to house current foster youth between the ages 18 and 21, inclusive. The other 47.5 percent of funding in the Fund would go to eligible organizations for projects to house TAY experiencing homelessness, as provided, which could include THP-Plus related projects. The remaining five percent in the fund is available for program administration, including state operations expenditures and technical assistance.

Homeless Coordinating and Financing Council (HCFC)

SB 1380 (*Mitchell, Chapter 847, Statutes of 2016*) created the HCFC to coordinate the state's response to homelessness. The HCFC was created to identify mainstream resources, benefits, and services that can be accessed to prevent and end homelessness in California. Additionally, the HCFC was intended to create partnerships among state agencies and departments, local government agencies, participants in HUD's CoC program, federal agencies, the U.S. Interagency Council on Homelessness, nonprofit agencies working to end homelessness, homeless services providers, and the private sector for purpose of arriving at specific strategies to end homelessness.

Additionally, the HCFC, through SB 918 (*Wiener, Chapter 841, Statutes of 2018*), is required to set and measure progress towards goals to prevent and end homelessness among youth in California, as provided.

SB 850 (*Senate Committee on Budget and Fiscal Review, Chapter 48, Statutes of 2018*) allocated \$500 million in Homeless Emergency Aid Program (HEAP) block grant funds, which was created to provide one time funding to enable local governments to respond to homelessness. SB 850 made the HCFC responsible for the administration of HEAP funding. Those funds have been awarded to 43 CoCs and 11 large cities. Recipients of HEAP funding were required to designate a minimum of five percent of their HEAP allocation to establish or expand services meeting the

needs of youth at risk of experiencing homelessness. The HCFC reports through their Annual Funding Report, released in February 2021, that spending on youth-specific interventions continues to increase, with services being the largest category of spending. Youth-specific capital improvement, on the other hand, was found to be “significant early in the program but has plateaued recently.”⁹ A total of \$4.4 million in HEAP funding has been spent on youth capital development as of September 30, 2020. Additionally, 17 percent of grantees continue to show no youth expenditures.¹⁰

In 2019, AB 101 (*Committee on Budget, Chapter 159, Statutes of 2019*) created the HHAP Program. Requiring the HCFC to distribute \$650 million in funds to assist local governments in addressing homelessness. The HHAP program was initially a one-time block grant that provides local jurisdictions with funds to support regional coordination and expand or develop local capacity to address their immediate homelessness challenges. This funding is now referred to as Round One. In 2020, AB 83 (*Committee on Budget, Chapter 15, Statutes of 2020*) provided 300 million in grant funding for a Round Two of HHAP program funding. A program recipient of HHAP funding is required to use at least 8 percent of the funds for services for homeless youth populations. The HCFC’s most recent Annual Funding Report found that CoCs have obligated significantly more of their HHAP funding toward youth set-asides than large cities and counties. The Annual Funding Report shows that as of September 30, 2020 the majority of youth set aside HHAP funds that have thus far been spent have been used on new navigation centers and emergency shelters (a total of \$65,460.49), with much smaller portions having been spent on permanent housing (\$7,362.57) and outreach and coordination (\$2,619.98). However, these data points should change as HHAP spending progresses and will continue to be tracked by the HCFC.¹¹

This bill would create an additional grant program for the HCFC to administer. As highlighted above, the HCFC is well versed in putting out notices of funding availability and awarding funding allocations. However, in the past, these allocations were to cities, counties and CoCs for broad homelessness funding needs. This bill would be the first time the HCFC was putting out funding through a forgivable loan process just for TAY housing purposes. Thus requiring the HCFC to work with new partners and a new funding type. However, as the state works to centralize its homelessness funding programs and create more uniformity around these efforts continuing housing programs, such as the one created by this bill, within the HCFC appear consistent with current legislative efforts.

Related/Prior Legislation:

AB 1979 (Friedman, Chapter 141, Statutes of 2020) addressed housing needs of NMDs in the CWS system by expanding the definition of a SILS, as provided, requiring counties to examine their ability to meet NMDs emergency housing needs, and preserving a NMD’s transitional housing placement during an absence of up to 14 days, as provided.

AB 83 (Committee on Budget, Chapter 15, Statutes of 2020), among other things, provided 300 million in grant funding for a Round Two of HHAP program funding

⁹ https://bcsh.ca.gov/hcfc/documents/2020_grants_annual_report.pdf

¹⁰ *Id.*

¹¹ *Id.*

AB 101 (Committee on Budget, Chapter 159, Statutes of 2019), among other things, created the HHAP Program, requiring the HCFC to distribute \$650 million in funds to assist local governments in addressing homelessness.

SB 850 (Senate Committee on Budget and Fiscal Review, Chapter 48, Statutes of 2018) allocated \$500 million in Homeless Emergency Aid Program (HEAP) block grant funds, which was created to provide one time funding to enable local governments to respond to homelessness.

SB 918 (Wiener, Chapter 841, Statutes of 2018) established the Homeless Youth Act of 2018 to better serve the state's homeless youth population and required the HCFC to take on additional related responsibilities that are focused on addressing the needs of youth experiencing homelessness.

SB 1380 (Mitchell, Chapter 847, Statutes of 2016) created the HCFC to coordinate the state's response to homelessness, as provided.

COMMENTS

In February, the California State Auditor released its report on the findings from an audit of five local governments who play a key role in a CoC and the state's efforts to end homelessness. In part the Audit reported that the state has "struggled to coordinate its efforts to address homeless," with at least nine state agencies providing funding to address homelessness through 41 different programs. Although the Auditor found some of this lack of effective coordination stems from flaws with the current authority and resources given to the HCFC, they ultimately recommend that "investing added responsibility and authority in the HCFC to coordinate the State's response to homelessness" would improve the Legislature's ability "to clearly assess the State's efforts, successes, and challenges and to make informed decisions in the fight to reduce homelessness."

This bill places the TAY Housing Program under the HCFC and requires the HCFC develop, implement, and administer the program, as provided. Though the HCFC does not have oversight authority or experience working with foster care housing programs, they do have the experience needed for the responsibilities placed on them by this bill. In keeping with the recommendations of the State Auditor's office, this bill places a new homelessness housing funding program within the control of HCFC. Though the TAY Housing Program provides forgivable loans instead of straight grant funding, like HEAP or HHAP, and solely provides funding for infrastructure instead of flexible funding, putting out the request for applications, reviewing and awarding funding is well within the wheelhouse of the HCFC. Additionally, because HEAP and HHAP both required certain amounts of funding be set aside specifically for combatting youth homelessness and SB 918 (Wiener, Chapter 841, Statutes of 2018) required the HCFC to set and measure progress towards goals to prevent and end homelessness among youth in California, the HCFC is experienced both in terms of working to address the unique needs of youth experiencing homelessness and with awarding funding for combating youth homelessness.

This bill requires priority be given to organizations that have experience serving youth and requires 47.5 percent of funding be provided to housing projects specific to current foster youth,

it is likely that organizations currently licensed by CDSS may apply for funding to grow their housing capacity. HCFC is not a licensing entity, and thus may want to collaborate with CDSS in the reviewing of applications from entities currently licensed by CDSS to ensure they are in good standing. Welfare and Institutions Code Section 8261 already specifies that the HCFC should coordinate and collaborate with CDSS in order to coordinate a spectrum of funding, policy, and practice efforts related to young people experiencing homelessness. However, if this is thought to not be specific enough to allow the HCFC to coordinate with CDSS in regards to awarding funds through this Program to CDSS licensees, than the author may wish to consider amendments to this effect.

POSITIONS

Support:

Alliance for Children's Rights/ California Coalition for Youth/ Children Now/ Grace Institute -
End Child Poverty in Ca
Aspiranet
California Alternative Payment Program Association
California Association of Food Banks
California Association of Student Councils
California School Employees Association
California Youth Connection (CYC)
CASA of Los Angeles
Catholic Charities East Bay
Children's Institute
Crittenton Services for Children and Families
Coachella Valley Coalition on Youth Homelessness
Hathaway-Sycamores
John Burton Advocates for Youth
Larkin Street Youth Services
Public Counsel
Sacramento LGBT Community Center
San Diego Youth Services
San Francisco Youth Commission
South Bay Community Services
The Children' Movement of Fresno
The San Diego LGBT Community Center
Transgender Health and Wellness Center
YMCA of San Diego County, Youth and Family Services
Youth Emerging Stronger

Oppose:

None received.

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