



# Memorandum

**TO: RULES COMMITTEE**

**FROM: Leslye Krutko**

**SUBJECT: STATE HOUSING LEGISLATION**

**DATE: April 26, 2006**

Approved

*Deana Sabra*

Date

*4/26/06*

Council District: All

SNI: All

## RECOMMENDATION

It is recommended that the Rules Committee recommend to the Mayor and City Council support for the following State legislation related to affordable housing and homelessness:

1. AB 2638 (Laird) – Housing Trust Fund
2. AB 2800 (Laird) – Housing Anti-discrimination
3. SB 1289 (Cedillo) – Emancipating Foster Youth
4. AB 2961 (Nunez) – Homeless Assistance Payments

## OUTCOME

By taking a position of support for these four State measures, the City Council will help assist in the passage of legislation that will enable to City to further fair housing and anti-discrimination for tenants; provide a framework for a more effective disbursement and uses for the State's Housing Trust Fund dollars; and ensure appropriate payment and assistance for homeless individuals and families.

## BACKGROUND

The City's Housing Department recommends support for the four measures discussed above because they will further the City's goals to provide decent, safe and fair housing for the residents of San José.

The following bills align with the City's "Legislative Priorities" adopted in January 2006 under the policies and priorities for community and economic development. Specifically, the Legislative Priorities call for support for "continued State and federal role in the provision of affordable housing and policies that increase affordable housing opportunities," and "advocating additional funding to help eliminate homelessness, as adopted in the City's Homeless Strategy."

The four bills introduced in the California State Legislature this year will help further these goals and ensure the further leveraging of funds for housing programs and the homeless population.

### ANALYSIS

#### *AB 2638 (Laird) – Housing Trust Fund Program Reform*

The City of San José established a Housing Trust Fund in June 2003 in order to be eligible for the State's Proposition 46 Housing Bond dollars allocated through the "Housing Trust Fund." The City has received \$ 1.5 million in funds and matched that with \$2 million of existing City funds in order to provide permanent housing units for extremely-low income households with special needs.

AB 2638, as amended March 30, 2006, would make several changes to the State's Housing Trust Fund in order to provide more flexibility in the use of these funds and deeper levels of income targeting. The bill is being sponsored by Housing California and is being supported by the Santa Clara County Housing Trust Fund.

Specifically, the bill:

- Would require at least 30% of the funds to be used for households below 30% of the Area Median Income (AMI) and no more than 20% of the funds for households earning above 80% AMI.
- Allows the State funds and the local matching dollars to be used for the full range of shelter and home types (emergency shelters, transitional housing, permanent rental housing, and for-sale housing), which is not currently allowed.
- Allows projects that receive Housing Trust Funds to apply for other State funds.
- Retains any funds returned to the state in the program.

These are actions that will help ensure that the City can further stretch scarce local dollars in order to end chronic homeless.

Status: The bill will be heard by the Assembly Housing and Community Development Committee on April 26, 2006. If the bill passes out of the Assembly Housing and Community Development Committee, it will then go to the Assembly Appropriations Committee for consideration.

#### *AB 2800 (Laird) – Housing Anti-Discrimination*

Under the State's Fair Employment and Housing Act (FEHA) it is unlawful to discriminate or harass any person because of the race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability of that person. AB 2800 would make the law consistent throughout various other code sections related to the financing, construction and occupancy of housing.

This is an important piece of legislation that seeks to not only provide clear and consistent direction under the law, but also ensures fair housing opportunities for all persons, regardless of sexual orientation. As of April 14, 2006, the bill was supported by the American Civil Liberties Union, the Anti-Defamation League, California; Asian Americans for Civil Rights & Equality, the California Attorney General's Office, the Mexican American Legal Defense and Educational Fund, and the National Association of Social Workers, California Chapter. There was no opposition on file.

Status: The bill passed out of both the Assembly Judiciary Committee (6-2) and the Assembly Housing and Community Development Committee (6-1). The bill will now be considered in the Assembly Appropriations Committee.

*SB 1289 (Cedillo) – Emancipating Foster Youth*

This bill is an important step to addressing the growing concern regarding youth aging out of the foster care system and, as a consequence, becoming homeless. SB 1289 was introduced in order to allow young persons to remain voluntarily in foster care until 21 years of age, if they are in attendance in high school, university, community college, or vocational training on a full-time basis or employed on a full or part-time basis on his/her 18<sup>th</sup> birthday. Although the juvenile court can retain jurisdiction over a youth up to age 21, income support through the AFDC-FC program stops when the youth turns 18. This bill seeks to give these young people additional time by allowing high school, college students, and working individuals to become self-sufficient. The goals of this legislation include the prevention of homelessness, unemployment and underemployment, early pregnancy, and, potentially, fewer encounters with the justice system.

Status: The bill will be heard in the Senate Human Services Committee on April 25, 2006. If the bill passes out of the Senate Human Services Committee it will then be referred to the Senate Appropriations Committee for consideration.

*AB 2961 (Nunez) – Homeless Payment Assistance*

Under the CalWORKs program, each county provides cash assistance and other benefits to qualified low-income families and individuals who meet specified eligibility criteria. Existing law establishes maximum grant amounts to be provided under the CalWORKs program.

Under the provisions for Homeless Payment Assistance, after a family has used all available liquid resources in excess of \$100, the family is entitled to receive an allowance for nonrecurring special needs (last month's rent, security deposit, etc.) on the spot. Once the county agency verifies that the individual/family is homeless, a "shelter allowance" is then given for a total of 16 days.

AB 2961 would expand the current law's definition of "homeless" to include families who have received an eviction notice for nonpayment of rent. In this situation, a family would be eligible

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to receive cash assistance in order to prevent homelessness. The bill would also allow for the payment of rent arrearages.

In addition to expanding the eligibility for funds to the homeless, the bill would also increase the shelter allowance available to families from \$40 per day to \$65 per day for a family of four or fewer, plus \$15 per day for each additional family member, up to a daily maximum of \$125. While this is a minimal increase, given the cost of living in the Bay Area is so high, \$65 a day for a family of four.

AB 2961 will enable families to receive assistance before they are homeless, which is less expensive than waiting until they are evicted. The supporters of the bill include California Youth Connection, the National Center on Youth Law, the Youth Law Center, and AFSCME. There was no registered opposition as of March 28, 2006.

Status: The bill will be considered in the Senate Human Services Committee on April 25, 2006. Should the bill pass out of the Senate Human Services Committee, it will then be considered in the Senate Appropriations Committee.

**COORDINATION**

The development of this memorandum was coordinated with the City Manager's Office, the City's Sacramento Lobbyist and the City Attorney's Office.

  
LESLYE KRUTKO  
Director of Housing