
THIRD READING

Bill No: SB 1065
Author: Hertzberg (D), et al.
Amended: 6/18/20
Vote: 21

SENATE HUMAN SERVICES COMMITTEE: 7-0, 5/19/20
AYES: Hurtado, Jones, Beall, Jackson, Melendez, Pan, Wiener

SENATE APPROPRIATIONS COMMITTEE: 7-0, 6/18/20
AYES: Portantino, Bates, Bradford, Hill, Jones, Leyva, Wieckowski

SUBJECT: CalWORKs: homeless assistance

SOURCE: Coalition of California Welfare Rights Organizations
Junior League Los Angeles
Western Center on Law & Poverty, Inc.

DIGEST: This bill makes a series of changes to the requirements for the California Work Opportunity and Responsibility to Kids (CalWORKs) Homeless Assistance Program (HAP).

ANALYSIS:

Existing law:

- 1) Establishes the federal Temporary Assistance for Needy Families (TANF) program, which permits states to implement the program under a state plan. (*42 USC 601 et seq.*)
- 2) Establishes in state law the CalWORKs program to provide cash assistance and other social services for low-income families through the federal TANF program. Under CalWORKs, each county provides assistance through a combination of state, county and federal TANF funds. (*WIC 11200 et seq.*)
- 3) Entitles a family to receive an allowance for nonrecurring special needs after the family has used all available liquid resources in excess of \$100, as

specified. Such grants may be used for replacement of clothing and household equipment and for emergency housing needs other than those needs addressed by HAP, as specified. (*WIC 11450(f); WIC 11450(f)(1)*)

- 4) Provides that homeless assistance is available to a homeless family seeking shelter when the family is eligible or apparently eligible for CalWORKs. (*WIC 11450(f)(2)(A)(i); WIC 11450(f)(2)(A)(ii)*)
- 5) Defines, for the purpose of HAP, circumstances under which a family is considered homeless, which includes an eviction. Further requires the family to demonstrate that the eviction is the result of a verified financial hardship as a result of extraordinary circumstances beyond their control, and not other lease or rental violations, and that the family is experiencing a financial crisis that may result in homelessness if preventive assistance is not provided. (*WIC 11450(f)(2)(B)*)
- 6) Requires temporary shelter assistance to homeless CalWORKs families at a rate of \$85 for families of up to four members, and an additional \$15 for each additional family member, not to exceed \$145, as specified. Further sets timelines and circumstances for issuance and eligibility for temporary shelter assistance. (*WIC 11450(f)(3)(A)(i)-(iv)*)
- 7) Requires a nonrecurring special needs benefit for permanent housing assistance to be available to pay for last month's rent and security deposits if these payments are reasonable conditions of securing a residence, or to pay for up to two months of rent arrearages, if these payments are a reasonable condition of preventing eviction, as specified. Further sets timelines and circumstances for issuance, use and eligibility for permanent housing assistance. (*WIC 11450(f)(3)(B)-(D)*)
- 8) Limits eligibility for temporary shelter assistance and the permanent housing assistance to 16 cumulative calendar days of temporary assistance and one payment of permanent assistance every 12 months and requires that a person who applies for these benefits to be informed of this time limit. (*WIC 11450(f)(3)(E)(i)*)
- 9) Provides that the county welfare departments, and all other entities participating in the costs of the CalWORKs program, have the right in their share to any refunds resulting from payment of the permanent housing. Also provides that, if an emergency requires the family to move within the specified 12-month period, the family shall be allowed to use any refunds received from

its deposits to meet the costs of moving to another residence. (*WIC 11450(f)(3)(F)*)

- 10) Permits the daily amount for the temporary shelter special needs benefit for homeless assistance to be increased if authorized by the current year's Budget Act by specifying a different daily allowance and appropriating the funds therefor. (*WIC 11450(f)(3)(H)*)
- 11) Requires, commencing July 1, 2018, a CalWORKs applicant who provides a sworn statement of past or present domestic abuse and who is fleeing their abuser is deemed to be homeless and is eligible for temporary homeless assistance, notwithstanding any income and assets attributable to the alleged abuser. (*WIC 11450(f)(3)(J)(i)*)

This bill:

- 1) Provides that the requirement that a family use all available liquid resources in excess of \$100 in order for a family to be entitled to receive an allowance for nonrecurring special needs does not apply to temporary and permanent homeless assistance aid payments.
- 2) Deletes the requirement under the CalWORKs HAP that a family must demonstrate that an eviction is the result of a verified financial hardship as a result of extraordinary circumstances beyond their control, and no other lease or rental violations, and that the family is experiencing a financial crisis that may result in homelessness if preventive assistance is not provided.
- 3) Requires the county to grant or deny the temporary shelter benefit on the same day as the family's application, instead of immediately upon application.
- 4) Requires the county to approve the temporary shelter benefit for 16 calendar days, instead of up to three working days.
- 5) Deletes the requirement that the county welfare department shall verify the family's homelessness within the first three working days.
- 6) Permits the county welfare department to issue temporary shelter benefits for fewer than 16 days if the family makes that request in writing.
- 7) Requires the family to provide a sworn statement that the family is homeless upon applying for homeless assistance.

- 8) Defines questionable homelessness, for purpose of referral to early fraud prevention and detection, to mean there is reason to suspect that the family has permanent housing and removes the California Department of Social Services (CDSS) authority to establish a definition of questionable homelessness.
- 9) Deletes the extension of the three-day temporary shelter benefit to a period of time that, when added to the initial benefits, does not exceed a total of 16 calendar days.
- 10) Deletes the requirement that extension of benefits shall be done in increments of one week, and based upon searching for permanent housing, which shall be documented on a housing search form, good cause, or other circumstances defined by CDSS.
- 11) Deletes the requirement of documentation of a housing search for the initial extension of benefits beyond the three-day limit and on a weekly basis thereafter if the family is receiving temporary shelter benefits.
- 12) Permits the county, at its option, to extend the temporary shelter assistance granted for an additional 16 calendar days if the family has no other housing alternative and has not declined adequate shelter where the family unit can be sheltered together.
- 13) Deletes the provision that good cause shall include, but is not limited to, situations in which the county has determined that the family, to the extent it is capable, has made a good faith but unsuccessful effort to secure permanent housing while receiving temporary shelter benefits or is homeless as a direct and primary result of a state or federally declared natural disaster.
- 14) Requires the county to extend the temporary shelter assistance for a family that has secured and been approved for permanent housing assistance until the date that the family takes occupancy of the approved permanent housing, not to exceed an additional 30 calendar days.
- 15) Deletes permission for a county to waive the three-day limit and provide benefits in increments of more than one week for a family that becomes homeless as a direct and primary result of a state or federally declared natural disaster.
- 16) Expands permissible uses of permanent housing assistance to include paying for the first month's rent, as long as the first and last month's rent and security deposit do not exceed twice the amount of the monthly rent.

- 17) Removes reference to “reasonable” in the conditions for payments on securing a residence using permanent housing assistance.
- 18) Deletes the requirement that a family must have become homeless as a direct and primary result of a state or federally declared “natural” disaster as a condition of eligibility for homeless assistance, and instead makes the eligibility conditioned upon a family becoming homeless as a direct and primary result of a state or federal declared disaster.
- 19) Deletes the provision that the county welfare departments, and all other entities participating in the costs of the CalWORKs program, have the right in their share to any refunds resulting from payment of the permanent housing. Also deletes the provision that, if an emergency requires the family to move within the 12-month period, as specified, the family shall be allowed to use any refunds received from its deposits to meet the costs of moving to another residence.
- 20) Deletes the requirement that the daily amount for the temporary shelter special needs benefit for homeless assistance may be increased if authorized by the current year’s Budget Act by specifying a different daily allowance and appropriating the funds therefor, and instead requires that the daily amount for temporary shelter shall be adjusted annually to reflect a cost-of-living adjustment calculated by the Department of Finance, as specified.
- 21) Deletes the requirement that the homeless assistance payments for CalWORKs applicant who provides a sworn statement of past or present domestic abuse and who is fleeing their abuser shall be granted immediately after the family’s application and instead requires the payments to be available the same day.
- 22) Requires that the second 16-day period of temporary homeless assistance shall continue to be available to a CalWORKs applicant who provides a sworn statement of past or present domestic abuse and who is fleeing their abuser when the CalWORKs applicant becomes a CalWORKs recipient during the first 16-day period.
- 23) Provides that changes made by this bill shall become operative only if funds are appropriated in the annual Budget Act or another statute for this purpose.
- 24) Makes technical changes.

Background

Family Homelessness. Prior to the COVID-19 outbreak and the Governor's ensuing stay at home order, addressing homelessness was a top policy priority for policy makers and the people of California. Statewide data on newly homeless or near homelessness resulting from COVID-19 is not currently available. However, according to the U.S. Department of Housing and Urban Development, on one night in 2019 there were over 8,000 homeless families and over 13,000 homeless children in California. Over 1,500 of those homeless children were unsheltered.

The short- and long-term effects of homelessness on children are well-documented. Research shows housing instability and homelessness contribute to children experiencing higher rates of mental, emotional and behavioral impairments and interferes with their learning and ability to develop social relationships. Furthermore, experiences of homelessness can be particularly damaging for children, as impacts span from hunger and related physical, cognitive and developmental issues to lowered academic achievement and increases in stress; depression; emotional instability; and overall poor mental health.

CalWORKs. As the state's largest anti-poverty program, CalWORKs provides temporary cash assistance aimed at moving children out of poverty and helping qualified low income families meet their basic needs, such as rent, clothing, utility bills and food. Adult CalWORKs recipients are provided education, employment and training services designed to help remove barriers to work and promote self-sufficiency. These services are typically outlined in a Welfare to Work plan.

In order to be eligible for CalWORKs, families must meet income and asset tests based on family size and county of residence. For example, a family of three living in a higher cost-of-living region could qualify to receive CalWORKs benefits if their monthly adjusted income is no more than \$1453. The same family living in a lower cost-of-living region would qualify if their monthly adjusted income is no more than \$1,379. The average CalWORKs grant for families participating in Welfare to Work during Fiscal Year 2019-2020 was \$689 per month. CalWORKs provides assistance to more than 383,000 families and 450,000 children.

CalWORKs Homeless Assistance Program. HAP provides temporary shelter assistance and permanent housing assistance to CalWORKs recipients and to families that are apparently eligible for CalWORKs. Families who are experiencing homelessness or at risk of homelessness are eligible for HAP. Permanent housing assistance helps families secure or maintain permanent housing and helps families avoid eviction. Permanent housing assistance can be received

once every 12 months and can be used to pay security deposits and last month's rent or two months arrearages to prevent eviction. Temporary shelter assistance is available to families for up to 16 calendar days within a 12-month period. Temporary shelter assistance for a family of up to four people is set at \$85 per day, plus \$15 a day for each additional family member. The maximum amount of temporary shelter assistance any family can receive is \$145 per day.

HAP has assisted over 178,500 families who were experiencing homelessness or at risk of experiencing homelessness in the past three years. In Fiscal Year 2018-19, about 15 percent of CalWORKs families received HAP benefits.

In recent years, HAP has undergone many changes in response to increased cost of living, increasing numbers of families experiencing homelessness, and the changing needs of low-income families. This bill seeks to further modify requirements for obtaining, extending and using homeless assistance in order to make program assistance more attainable to needy families.

Related/Prior Legislation

SB 80 (Committee on Budget, Chapter 27, Statutes of 2019) allowed the use of temporary housing assistance for up to 16 cumulative days, instead of consecutive days, and one payment of permanent housing assistance, in a 12-month period.

AB 1811 (Committee on Budget, Chapter 35, Statutes of 2018) increased, as of January 1, 2019, the daily rate for CalWORKs temporary homeless assistance from \$65 a day to \$85 a day for a family with up to four members, and increased the daily maximum from \$125 to \$145.

AB 1921 (Maienschein and Santiago, 2018) would have expanded the housing arrangements for which a CalWORKs housing assistance payment may be used. The bill was vetoed by the Governor.

AB 1603 (Committee on Budget, Chapter 25, Statutes of 2016) permitted CalWORKs families receiving a temporary or permanent benefit under HAP to, as of January 1, 2017, receive this benefit once every 12 months, versus once in a lifetime.

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

According to the Senate Appropriations Committee, this bill would likely generate cost pressures of up to mid-tens of millions (General Fund (GF)), as the amendments make this bill subject to a budget appropriation.

- Mid-tens of millions (GF) for the additional 16 days for temporary homeless assistance, assuming 85 percent of cases use the full 16 days. Based on data from the CA 237HA (CalWORKs Homeless Assistance Program – Monthly Statistical Report) for July 2019 to February 2020, there were 1,111 requests for temporary shelter were granted. In the 2019 calendar year, the average number of days of temporary assistance was 11.2 days at an average daily cost of about \$96 (or \$1,078.75 per case). These costs would be partially offset by reduced payments to families who choose to retain a portion of the 16-day benefit for future use but do not subsequently use it or no longer qualify.
- According to the Office of Systems Integration, one-time \$1 million (federal fund) for automation cost to the SAWS system. Staff notes the Electronic Benefits Transfer system may also see a potential increase in caseload, but those costs may not be determinable at this time. Although these costs are anticipated to be one-time, funding may need to shift to the outyears depending upon the required time for implementing the automation.

SUPPORT:(Verified 6/18/20)

Coalition of California Welfare Rights Organizations (co-source)

Junior League Los Angeles (co-source)

Western Center on Law & Poverty, Inc. (co-source)

American Civil Liberties Union/Northern California

California Apartment Association

California Catholic Conference

California Council of Community Behavioral Health Agencies

California Food Policy Advocates

California Travel Association

City of Santa Monica

Community Clinic Association of Los Angeles County

Ella Baker Center for Human Rights

Family Violence Law Center

Food Bank of Contra Costa and Solano

Glide

Kidango

Lawyers' Committee for Civil Rights

Los Angeles Business Council

National Association of Social Workers, California Chapter

Second Harvest of Silicon Valley

OPPOSITION: (Verified 6/18/20)

None received

Prepared by: Taryn Smith / HUMAN S. /
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