

Date of Hearing: June 28, 2022

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Lisa Calderon, Chair

SB 234 (Wiener) – As Amended May 19, 2022

SENATE VOTE: 32-0

SUBJECT: Transition Aged Youth Housing Program

SUMMARY: Establishes the “Transition Age Youth (TAY) Housing Program” under the California Interagency Council on Homelessness (Council) for the purpose of creating housing for youth under 26 years of age, who have been removed from their home, are experiencing homelessness, or are under jurisdiction of the dependency court. Specifically, **this bill:**

- 1) Makes legislative findings regarding California’s high poverty rate and housing instability among TAY who are currently or formerly in the foster care system, experiencing homelessness, or under probation supervision, especially among youth of color and lesbian, gay, bisexual, transgender, and queer (LGBTQ) youth.
- 2) Provides the following definitions for the purpose of this bill:
 - a) “Current or former foster youth” as youth under 26 years of age who are currently or were formerly removed from their home as a dependent or ward;
 - b) “Eligible activities” includes, but is not limited to, funding capital development programs, such as acquisition, leasing, construction, and rehabilitation of sites for emergency shelter, transitional housing, and permanent supportive housing for TAY, and/or capital development loans for the conversion of emergency shelter or transitional housing to permanent supportive housing for TAY;
 - c) “Eligible organization” as 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) “Fund” as the TAY Housing Fund;
 - e) “Homeless youth” as unaccompanied youth between 12 and 24 years of age, inclusive, who are experiencing homelessness and/or unaccompanied youth who are pregnant or parenting;
 - f) “Program” as the TAY Housing Program; and,
 - g) “TAY” as either a current or former foster youth or homeless youth.
- 3) Establishes the “Transition Age Youth 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 a court, as specified.

- 4) Requires the Council to develop, implement, and administer the program, as specified.
- 5) Establishes the “Transition Age Youth Housing Fund” within the State Treasury and specifies that all money in the Fund be appropriated to the Council for the purposes of the program.
- 6) Requires the Council to award grants to eligible organizations for the development of housing for TAY, and further provides that grants awarded by the Council be used by the grant recipient to defray costs of eligible activities.
- 7) Requires the Council to 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 Council shall terminate the grant and require the repayment of the deferred loan in full; and,
 - d) A project may opt for the Council to not forgive the loan, and the project property’s use shall not be restricted to be used as an emergency shelter, permanent supportive housing, or transitional housing for TAY once the loan is repaid in full.
- 8) Provides that funds appropriated by the Legislature shall be distributed by the Council, as expeditiously as possible, for the purposes of the Program consistent with the following requirements:
 - a) At least 47.5% of funds available shall be made available to eligible organizations for projects to house current foster youth between 18 to 21 years of age, inclusive.
 - b) No more than 5% of available funds shall be expended on program administration, including state operations expenditures and technical assistance, unless the 47.5% 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 available funds that are not used for projects to house TAY or program administration shall be made available to eligible organizations for eligible activities, as specified.

- 9) Provides the Council with the final decision authority to approve or deny an application and determine the amount of funding to be provided.
- 10) Requires the Council to develop and set forth the criteria for evaluating applications in a notice of funding availability and to award grants to applicants that best meet the criteria. Requires the Council to give preference to applications from organizations that have experience providing direct services to TAY, and organizations working in partnership with those that provide direct services to TAY. Requires the Council to specify the minimum and maximum grant award amount in the notice of funding availability, which may vary for urban and nonurban counties.
- 11) Requires the Council 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 Council.
- 12) Requires an applicant that receives funds to provide the Council with a list of all subrecipients.
- 13) Requires the Council to maintain and make available to the public on its internet website records of all of the following: the number of applications for program funding received or denied by the Council; 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 Council from the rulemaking provisions of the Administrative Procedure Act for the purposes of the program.

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. (Welfare and Institutions Code Section [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” (NMD) as a current or former foster youth who is between 18 and 21 years of age, 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 11400(v))
- 4) Defines different categories of housing for NMDs, including Transitional Housing Program for Nonminor Dependents (THP-NMD), Transitional Housing Program-Plus (THP-Plus), supervised independent living placements (SILP), and a supervised independent living setting, as provided. (WIC 16522.1(a)(2); 11400 (s), 11400(w) and (x))

- 5) Defines “THP-NMD” to mean transitional housing program serving NMDs between the ages of 18 and 21. (WIC 16522.1(a)(2))
- 6) Defines “THP-Plus” to mean transitional housing services to former foster youth who have exited the foster care system on or after their 18th birthday. (WIC 11400(s))
- 7) Defines “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))
- 8) 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))
- 9) 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))
- 10) 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))
- 11) Establishes the “California Interagency Council on Homelessness” (formerly known as the Homeless Coordinating and Financing Council [HCFC]) with the aim of setting and measuring progress towards goals to prevent and end homelessness among youth in California, defining outcome measures, and gathering data related to the goals (WIC 8255 *et seq.*; 8261)
- 12) Requires the Council to 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 8257 and 8261(b))
- 13) 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 United States Code Section 11301 *et seq.*)
- 14) 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)

- 15) Establishes a licensure category for runaway and homeless youth shelters to provide 24-hour nonmedical care and services to youth ages 12 to 17 who voluntarily enter the shelter up to a maximum of 21 days, under specified conditions. (Health and Safety Code Section 1502.35)

FISCAL EFFECT: According to the Senate Appropriations Committee analysis on the April 26, 2022, version of this bill, costs include up to \$100 million in General Fund cost pressures to provide funding for the new program. The council estimates ongoing costs of \$470,000 in the first year funding is made available and \$446,000 ongoing for 3 PY staff to develop program guidelines and application criteria, advertise and ward funding, track allocations, update and post annual data, and conduct ongoing oversight and monitoring activities over the term of the forgivable loans.

COMMENTS:

Interagency Council on Homelessness: Formerly known as the HCFC and established under SB 1380 (Mitchell), Chapter 847, Statutes of 2016, the Council is tasked with implementing core components of Housing First, an evidence-based model that centers on providing or connecting homeless people to permanent housing as quickly as possible. Housing First providers offer services as needed and requested on a voluntary basis and that do not make housing contingent on participation in services. Housing First also includes time-limited rental or services assistance, so long as the housing and service provider assists the recipient in accessing permanent housing and in securing longer term rental assistance, income assistance, or employment. Additionally, through SB 918 the Council is required to set and measure progress towards goals to prevent and end homelessness among youth in California.

SB 850 (Committee on Budget and Fiscal Review), Chapter 48, Statutes of 2018, made the Council responsible for administering \$500 million in Homeless Emergency Aid Program (HEAP) funding, which have been awarded to 43 Continuums of Care (CoCs) and 11 large cities. In 2019, AB 101 (Committee on Budget), Chapter 159, Statutes of 2019, required the Council to distribute an additional \$650 million in funds to assist local governments in addressing homelessness, following AB 83 (Committee on Budget), Chapter 15, Statutes of 2020, which passed a year later in 2020 to provide another \$300 million in grant funding to support regional coordination and expand or develop local capacity to address immediate homelessness challenges. According to the Annual Funding Report, \$4.4 million of HEAP funding has been spent on youth capital development as of September 30, 2020, with a total of \$65,460.49 spent on emergency shelters and new navigation centers, and only \$7,362.57 being spent on permanent housing.

Child Welfare Services (CWS): The purpose of California's CWS system is to protect children from abuse and neglect and provide for their health and safety. When children are identified as being at risk of abuse, neglect or abandonment, county juvenile courts hold legal jurisdiction; these children are served by the CWS system through the appointment of a social worker. Through this system, there are multiple opportunities for the custody of the child, or their 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. The CWS system seeks to help children who have been removed from their homes reunify

with their parents or guardians, whenever appropriate. However, the court may determine that an alternate permanent placement is more fitting and give preference to relatives or nonrelative extended family members.

Extended Foster Care: Extended foster care was established through AB 12 (Beall), Chapter 559, Statutes of 2010, in 2010 to allow foster youth to remain in foster care until 21 years of age with the intent of setting up youth ages 18 to 21 for success as they transition from childhood to adulthood by facilitating independence and equipping them with educational and work opportunities. Extended foster care also extends essential supportive services like case management services and monthly foster care payments. The 2020-21 and 2021-22 state budgets included funding to allow youth who turned 21 on or after January 27, 2020, to remain in foster care until December 31, 2021. This temporary extension of the extended foster care program was a statewide response to the COVID-19 pandemic, which meant a record number of youth left the system in 2021, after reaching age 21. Overall, nearly 3,500 of youth age out of the system upon reaching their 22nd birthday each year.

Former foster youth: Former foster youth are a vulnerable population at risk of homelessness, unemployment, welfare dependency, incarceration, and other adverse outcomes if they exit the foster care system unprepared to become self-sufficient. Unlike many young individuals 18 years of age who can depend on family for ongoing support while they complete postsecondary education or develop career opportunities, emancipating foster youth have their primary source of support, AFDC-Foster Care payments, terminated at 21 years of age and are then dependent on their own resources for self-support. Some foster youth are not able to complete high school or other education or training programs due to ongoing trauma from the parental abuse of neglect and gaps in their educational attainment stemming from the original removal and subsequent changes in placement. Lack of an educational or training program, coupled with limited credit, financial or rental history makes it much more difficult to secure housing among foster youth.

Homelessness and housing needs for Transition Age Youth: The prevalence of homelessness youth is between 1.6 and 2.8 million youth up to 24 years of age in the United States every year, with California having the second-highest rate of unsheltered young people experiencing homelessness in the nation, and the number is growing. Specifically, there were 55,539 youth between the ages of 0 and 21 placed in California's CWS system as of January 1, 2022. Despite 31% of all young people experiencing homelessness in the United States residing in California, two-thirds of the state continues to lack basic services for young people experiencing homelessness, including shelter and other needed services like mental and behavioral services, family maintenance and strengthening, and substance use disorder treatment. A disproportionate number of young people experiencing homelessness are youth of color and LGBTQ youth. National data shows that in 2020, Black children represented 20% of those entering foster care, but only 14% of the total child population. Furthermore, young people experiencing homelessness are more likely to have used or to begin using drugs and alcohol due to their traumatic and abusive experiences prior to becoming homeless. One in five report experiencing homelessness between ages 17 and 19, with the likelihood increasing to 29% for youth ages 19 to 21.

Transition Age Youth foster youth: Approximately 24% to 49% of foster children and youth in the state change their living arrangements at least twice a year, often leading to trauma, disruption and stress due to the lack of stable relationships and home environments – both of which are critical for healthy child and youth development. Recent data from the Kids Count

Data Center shows that as of 2020, around 23,704 children and youth exit foster care each year in California, with 55% being reunified with their parent or primary caretaker. For youth and children who do not return to their parent or caretaker, 13% (or about 3,082) aged out of foster care, also known as emancipation. Transition into adulthood is a significantly challenging developmental phase of life for all youth, but this transition is especially difficult for youth aging out of foster care who do not have the support of a stable, reliable, loving family. As a result of losing access to services and supports typically offered through foster care, TAY are more likely to experience behavioral, mental and physical health issues, housing instability and homelessness, employment and educational difficulties, early parenthood, incarceration and other lifelong challenges.

In August 2021, the John Burton Advocates for Youth (JBAY) conducted an online survey that asked county child welfare administrators to estimate how many former foster youth require supportive housing but are not able to access it due to a lack of capacity. Together, they estimated a total unmet need of 1,249 youth. Los Angeles County, where capacity is required to serve an estimated 400 additional youth to meet the demand, need was the greatest. Additionally, as of June 30, 2021, 473 youth were on a waiting list for a THP-Plus program and 290 were on a waiting list for a specialized Housing Choice Voucher for former foster youth. Santa Clara, Los Angeles, and Kern Counties had the longest waiting lists when combining those waiting for THP-Plus and voucher programs.

Homeless Youth Act: The Legislature passed the “Homeless Youth Act of 2018” through SB 918 (Wiener), Chapter 841, Statutes of 2018, to improve prevention and early intervention support services, low barrier and diverse housing opportunities, and post-housing and follow up services for young people experiencing homelessness, including those with substance use disorders. According to a 2021-21 statewide analysis conducted by JBAY, county administrators and service providers report a statewide need of supportive housing for 3,428 former foster youth in California. The JBAY analysis reports that as of June 30, 2021, California only has capacity to serve 2,179 youth through housing programs or housing vouchers.

Transitional Housing Placement Program (THPP): Minor foster children and NMDs may be placed in the THPP, which offers supervised transitional housing services to foster children who are at least 16 years of age to 18 years of age. The goal of THPP is to provide a safe environment for youth and learn skills that will help make them self-sufficient and emancipate successfully. Specifically, NMDs who are about to exit the foster care system are subject to fewer restrictions than foster children to better prepare them for transition into adulthood. Generally, participants may live alone or with roommates in an apartment, single-dwelling, or condominium that is owned, rent, or leased by a resource family, licensed foster family home, certified foster home, approved relative caregiver, or nonrelative extended family member.

Transitional Housing Placement-Plus-Foster Care (THP+FC): Created by AB 12, this housing placement program allows eligible foster youth to extend foster care beyond 18 and up to age 21. Remote sites are available to these NMDs in which a participant lives independently in a transitional housing unit under the supervision of the transitional housing placement provider, also known as supervised independent living placement. THP+FC provides transitional housing and supportive services based on a Transitional Independent Living Plan. Supportive services include educational guidance, employment counseling, and assistance reaching emancipation goals.

Transitional Housing Program-Plus: Transitional housing services are also offered to former foster youth who have exited the foster care system on or after their 18th birthday and are not yet 24 years of age (25 in counties that have opted to extend services per SB 1252 (Torres), Chapter 774, Statutes of 2014). This housing model and services offered are similar to those offered in THPP, but the rules about the program will be age appropriate for young adults.

Supporting Underserved Young People for Positive Resets and Transitions (SUPPORT) Act: This bill has been incorporated into Governor Newsom’s proposed budget, which includes \$200 million to fund new housing or acquire existing housing for TAY between ages 16 and 26. The money will come from the State’s Homekey grant program, and will help remove financial barriers to construction and acquisition for many affordable housing developers. The intent is to address both long-term housing crisis and alleviate housing needs for TAY as a result of the COVID-19 pandemic. According to the California Department of Housing and Community Development, Homekey is an opportunity for state, regional, and local public entities to develop a broad range of housing types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, and manufactured housing, and to convert commercial properties and other existing buildings to permanent or interim housing for the target population.

Need for this bill: This bill would create an additional grant program for the Council to administer by establishing the “TAY Housing Program.” The Program would provide eligible entities with forgivable deferred loans to create new housing or acquire existing housing for youth ages 16 and 26 years of age who have been removed from their home, are experiencing homelessness, or are under probation supervision, with a portion of the funds targeting youth in foster care ages 18-21. While the Council has distributed funding to cities, counties and CoCs for broad homelessness funding needs, this bill is unique to other housing programs because it would be the first time the Council awards out funding through a forgivable loan process specifically for TAY housing purposes. With the COVID-19 pandemic exacerbating the state’s housing crisis, especially among TAY, the Program established through the provisions of the bill could increase the number of housing placements for foster youth and decrease the waiting time for foster youth to secure housing. As California continues to address the housing instability and homelessness among TAY, it is imperative to ensure that the state’s youth providers are financially supported to help guarantee housing to the most vulnerable populations of the state as they transition into adulthood.

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. [This bill] 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. Specifically, [this bill] creates the Transition Aged Youth Housing Program to build housing projects prioritizing our most marginalized youth: those exiting homelessness, exiting foster care, or exiting the criminal justice system.”

Double referral: This bill passed out of the Assembly Housing & Community Development Committee on June 15, 2022, with an 8-0 vote.

PRIOR AND RELATED LEGISLATION:

AB 140 (Budget), Chapter 111, Statutes of 2021, makes changes necessary to implement the 2021 Budget Act related to housing and homelessness.

AB 2880 (Ting) of 2020, would have required the rate to be supplemented with a THP-NMD housing supplement. AB 2880 was set to be heard in the Assembly Human Services Committee but the hearing was postponed by the Committee.

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

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

AB 824 (Lackey) of 2018, would have established the "Transitional Housing for Homeless Youth Grant Program" to award grants to qualified nonprofit entities to provide transitional living services, access to resources, and counseling services, to homeless youth ages 18 to 24 years of age for up to 36 months. AB 824 was held on the Assembly Appropriations Committee suspense file.

SB 918 (Wiener), Chapter 841, Statutes of 2018, required the HCFC to measure progress towards goals to prevent and end homelessness among youth, define outcome measures, and gather data related to the goals.

SB 612 (Mitchell), Chapter 731, Statutes of 2017, revised the definition of "transitional housing placement provider" to mean an organization licensed by the department to provide transitional housing to foster children who are at least 16 years of age to promote their transition to adulthood; made a number of changes to the Transitional Housing Program rules and educational requirements for transitional housing programs available to minors and NMDs in foster care.

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

SB 1252 (Torres), Chapter 774, Statutes of 2014, authorized a county child welfare agency to, at its option, extend transitional housing services to a former foster youth who is over 21 years of age but not more than 25 years of age, and for a total of 36 cumulative months, if the former foster youth is completing secondary education or is enrolled in an institution that provides postsecondary or vocational education.

REGISTERED SUPPORT / OPPOSITION:**Support**

Alliance for Children's Rights (Co-Sponsor)

California Coalition for Youth (Co-Sponsor)
Children Now (Co-Sponsor)
Alameda County Board of Supervisors
Aspiranet
California Apartment Association
California Housing Partnership Corporation
California School Employees Association
County Behavioral Health Directors Association of California
Fastenau & Associates
National Association of Social Workers, California Chapter
Redwood Community Action Agency
Student Senate for California Community Colleges
The Young Women's Freedom Center
TLC Child and Family Services

Opposition

None on file

Analysis Prepared by: Bri-Ann Hernandez / Jessica Langtry / HUM. S. / (916) 319-2089