

Date of Hearing: August 3, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

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

Policy Committee:	Housing and Community Development	Vote:	8 - 0
	Human Services		7 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes the Transition Age Youth (TAY) Housing Program under the California Interagency Council on Homelessness (Cal-ICH) to provide grants, upon appropriation by the Legislature, to eligible agencies for the development of housing for TAY under 26 years of age.

Specifically, this bill:

- 1) Establishes the TAY Housing Program under Cal-ICH 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 are under the jurisdiction of a dependency court.
- 2) Requires Cal-ICH to develop, implement, and administer the program, as specified.
- 3) Establishes the “Transition Age Youth Housing Fund” within the State Treasury and requires, upon appropriation by the Legislature, moneys in the fund to be available for Cal-ICH for the purposes of the program.
- 4) Requires Cal-ICH to award grants to eligible organizations for the development of housing for TAY in the form of forgivable deferred loans, as specified.
- 5) Requires Cal-ICH, to administer the program as follows:
 - a) At least 47.5% of funds to eligible organizations for projects to house current foster youth between 18 and 21 years of age. If Cal-ICH is unable to meet this requirement, it may spend the remaining funds pursuant to (c) below.
 - b) No more than 5% for program administration.
 - c) Remaining funds available to eligible organizations must be spent by Cal-ICH for eligible activities pursuant to this bill.
- 6) Requires Cal-ICH to develop criteria for evaluating applications in a notice of funding availability (NOFA). Requires Cal-ICH to give preference to applications from organizations with experience working with or developing housing projects for TAY.

- 7) Requires Cal-ICH to terminate a grant award and reallocate the funds if a project has not begun construction within 12 months of the award. Authorizes Cal-ICH to extend the 12-month period by an additional period of no more than 12 months.
- 8) Requires Cal-ICH to maintain and make available on its website specified records of the number of applications received, the number of applications denied, the name of each recipient of program funds, as well as any sub-recipients, and the number of new and converted units created for TAY, by year.

FISCAL EFFECT:

This bill is subject to an appropriation by the Legislature. There is no identified funding source for this bill. Cal-ICH estimates up to \$100 million in General Fund cost pressures to provide funding for the new grant program. Cal-ICH indicates it would need to establish a new unit with up to 55 regionalized staff to evaluate, provide and manage forgivable deferred loans.

COMMENTS:

- 1) **Purpose.** This bill seeks to reduce barriers faced by community-based non-profit organizations and local governments when developing permanent supportive housing, transitional housing or emergency shelter for at-risk TAY, by creating a stand-alone grant program dedicated exclusively to housing TAY. 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.

- 2) **Background.** According to the United States Department of Housing and Urban Development (HUD) 2020 Point-in-Time (PIT) count, over one-third (36%) of all unaccompanied youth experiencing homelessness, or 12,172 individuals, are in California. Additionally, California accounted for 9,510 unsheltered unaccompanied youth experiencing homelessness, or 56% of the nationwide total. The city and county of Los Angeles together reported 3,098 unaccompanied youth, the highest number of unaccompanied homeless youth in the country.
- 3) **Extended Foster Care.** Federal and state law allow foster youth to remain in care, through extended foster care, until age 21 if they meet participation criteria. Additionally, existing law allows qualifying nonminors who are former foster youth under the age of 21 to petition the court to participate in extended foster care. As of January 1, 2020, there were an estimated 7,396 youth participating in extended foster care in California.

In August 2021, the John Burton Advocates for Youth (JBAY) conducted an online survey to estimate the number of former foster youth requiring supportive housing but not able to access it due to a lack of capacity. JBAY estimated a total unmet need of 1,249 youth, with the greatest need in Los Angeles County. Additionally, as of June 30, 2021, 473 youth were

on a waiting list for a Transitional Housing Program-Plus (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 both programs.

- 4) **Cal-ICH.** Existing law establishes Cal-ICH within the Business, Consumer Services, and Housing Agency to coordinate the state's response to homelessness. Among its duties, CA-ICH is required to set and measure progress toward goals to prevent and end homelessness among youth in California, as well as coordinate a spectrum of funding, policy, and practice efforts related to young people experiencing homelessness. Cal-ICH is responsible for administering two significant programs dedicated to addressing homelessness, the Homeless Emergency Aid Program (HEAP) and Homeless Housing Assistance and Prevention program (HHAP).
- 5) **State Funding for Homeless Youth.** In each of the last three years, the state budget has provided significant one-time funding to address youth homelessness through funding set-asides. HEAP included a minimum 5% set-aside (\$25 million) to address youth homelessness. Cal-ICH reports \$4.4 million in HEAP funding has been spent on youth capital development as of September 30, 2020. In 2019 and 2020, HHAP required a minimum 8% (\$24 million and \$52 million, respectively) set-aside for homeless youth. Additional money was provided in the Budget Act of 2022 for the HHAP program for 2023-24. In 2021-22, the state budget also included \$1.45 billion for Homekey, which included an 8% (\$1.6 million) set-aside for homeless youth.

This bill would provide eligible entities with forgivable deferred loans to create new housing or acquire existing housing for youth between 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 to 21 years.

- 6) **Related Legislation.** AB 824 (Lackey), of the 2017-18 Legislative Session, 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 this committee's suspense file.

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