

Date of Hearing: July 20, 2020

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Eloise Gómez Reyes, Chair

SB 1065 (Hertzberg) – As Amended July 27, 2020

**SENATE VOTE:** 40-0

**SUBJECT:** CalWORKs: homeless assistance

**SUMMARY:** Makes several changes to the California Work Opportunity and Responsibility to Kids (CalWORKs) Homeless Assistance Program (HAP) including allowing counties to make the 16-day temporary shelter assistance payment in one transaction and allowing a 16-day extension on assistance. Specifically, **this bill:**

- 1) Adds homeless assistance aid payments paid for an allowance for nonrecurring special needs as an exemption for a family's entitlement to receive an allowance for nonrecurring special needs after a family has used all available liquid resources, both exempt and nonexempt, in excess of \$100.
- 2) Specifies that an allowance for nonrecurring special needs for homeless assistance is available to a homeless family seeking shelter when the family is eligible for aid under the CalWORKs HAP.
- 3) 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.
- 4) 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, and requires the county to approve the benefit for 16 calendar days, instead of three working days.
- 5) Authorizes the county to issue temporary shelter benefits for fewer than 16 days if the family makes that request in writing.
- 6) Requires the family, upon applying for homeless assistance, to provide a sworn statement that the family is homeless.
- 7) Deletes the requirement that the county welfare department verify the family's homelessness within the first three working days.
- 8) Defines questionable homelessness, for purposes 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) Authorizes 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.

- 10) 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.
- 11) 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.
- 12) 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.
- 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 is 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. Further, adds the first month's rent to the requirements to not exceed 80% of the family's total monthly household income, as specified, and only be made to families that have found permanent housing costing no more than 80% of the family's total monthly household income, as specified.
- 17) Removes reference to "reasonable" in the conditions for payments on securing a residence using permanent housing assistance.
- 18) Deletes the provisions that a family that becomes homeless as a direct and primary result of a state or federally declared natural disaster can become eligible for temporary and permanent homeless assistance and instead changes the requirement to any state or federally 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 based on the changes in the California Necessities Index, which as used in this subparagraph shall be the weighted average changes for food, clothing, fuel, utilities, rent, and transportation for low-income consumers.

- 21) Deletes the requirement that the homeless assistance payments for CalWORKs an 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) Authorizes CDSS to implement, interpret, or make specific these provisions by means of all-county letters or similar written instructions from the department until regulations are adopted; these all-county letters or similar instructions shall have the same force and effect as regulations.
- 24) Requires CDSS to adopt emergency regulations by January 1, 2023. Further, authorizes CDSS to readopt any emergency regulation authorized by these provisions that is the same as, or substantially equivalent to, an emergency regulation previously adopted under these provisions.
- 25) Provides that the initial adoption of emergency regulations and one readoption of emergency regulations shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare. Further provides that the initial emergency regulations and the one readoption of emergency regulations shall be exempt from review by the Office of Administrative Law. Further provides that the initial emergency regulations and the one readoption of emergency regulations shall be submitted to the Office of Administrative Law for filing with the Secretary of State and each shall remain in effect for no more than 180 days, by which time final regulations shall be adopted.
- 26) Provides that the provisions of this bill shall become operative only if funds are appropriated in the annual Budget Act or another statute for its purposes.
- 27) Makes technical changes.

**EXISTING LAW:**

- 1) Establishes in federal law the Temporary Assistance for Needy Families (TANF) program, which provides block grants to states to develop and implement their own state welfare-to-work programs designed to provide cash assistance and other supports and services to low-income families. (42 United States Code Section 601 et seq.)
- 2) Establishes the state's TANF program, the CalWORKs program. CalWORKs provides cash assistance and other supports and services to low-income families and is administered by the counties. (Welfare and Institutions Code Section [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. Provides that 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))
- 4) Provides that a family is considered homeless, for the purpose of HAP, when the family lacks a fixed and regular nighttime residence, the family has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations, or the family is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. Further provides that a family is considered homeless for the purpose HAP if the family has received a notice to pay rent or quit. (WIC 11450(f)(2)(B))
- 5) 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 eighty-five dollars (\$85) for families of up to four members, and an additional \$15 for each additional family member, not to exceed one hundred forty-five dollars (\$145), as specified. (WIC 11450(f)(3)(A)(i))
- 7) Requires the special needs benefit to be granted or denied immediately upon the family's application for homeless assistance, and benefits to be available for up to three working days, as specified. Further requires the county welfare department to verify the family's homelessness within the first three working days. Further requires that families meeting the criteria of questionable homelessness, as established by CDSS, must be referred to the county's early fraud prevention and detection unit, if the county has such a unit, for assistance in the verification of homelessness within this period. (WIC 11450(f)(3)(A)(ii))
- 8) Requires the three-day temporary shelter assistance to be extended for a period of time that, when added to the initial benefits provided, does not exceed a total of 16 calendar days. Requires this extension of benefits to be provided in increments of one week, and to be based upon: searching for permanent housing, which must be documented on a housing search form; good cause; or other circumstances defined by CDSS. Requires 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. (WIC 11450(f)(3)(A)(iii))
- 9) Requires, for purposes of temporary shelter assistance, good cause includes, but is not limited to, situations in which the county welfare department 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 that the family is homeless as a direct and primary result of a state or federally declared natural disaster. (WIC 11450(f)(3)(A)(iii))
- 10) Permits the 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. (WIC 11450(f)(3)(A)(iv))

- 11) 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. (WIC 11450(f)(3)(B)(i))
- 12) 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))
- 13) 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))
- 14) 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 for that purpose. (WIC 11450(f)(3)(H))
- 15) 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)(ii))

**FISCAL EFFECT:** According to the Senate Appropriations Committee on June 18, 2020, this bill may result in cost pressures of up to mid-tens of millions (General Fund), as the amendments make the bill subject to a budget appropriation.

- 1) Mid-tens of millions (General Fund) 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.
- 2) According to the Office of Systems Integration, one-time \$1 million (federal fund) for automation cost to the Statewide Automated Welfare System (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.

**COMMENTS:**

***California Work Opportunity and Responsibility to Kids:*** The CalWORKs program, which implements the federal TANF program, provides eligible low-income families with cash grants and supportive services aimed at helping them to secure education, training, and employment. CDSS is charged with program supervision at the state level, and counties administer the caseloads at the local level. CalWORKs is funded largely through the federal TANF block grant and state maintenance-of-effort contributions. Families participating in CalWORKs have access to a range of services that can include child care and services aimed at addressing mental health needs, substance use disorders, experiences of domestic violence, and learning disabilities, among other issues. The average monthly cash grant for a family of three on CalWORKs (one parent and two children) in 2019-20 was \$682 and the maximum monthly grant if the family has no other income and lives in a high-cost county was \$785. However, many families earn some income and do not qualify for the maximum grant amount. According to recent data from CDSS, approximately 423,000 families rely on CalWORKs.

***CalWORKs Homeless Assistance Program:*** During one night in 2019 there were over 8,000 homeless families and over 13,000 homeless children in California. The short- and long-term effects of homelessness on children are well-documented. Studies have shown that housing instability and experiencing homelessness can contribute to physical, cognitive, and developmental issues; higher rates of mental, emotional, and behavioral impairments; lowered academic achievement; increases in stress and depression; and, overall poor mental health. For families, homelessness is a pervasive, multifaceted problem that can be a barrier to self-sufficiency and affect health and economic opportunities.

While there is no statewide data available on homeless CalWORKs families, over 178,500 CalWORKs families have received assistance through HAP over the past three years. In Fiscal Year 2018-19, about 15% of CalWORKs families received HAP benefits. HAP was established to help CalWORKs families meet the reasonable costs of securing housing and serves eligible CalWORKs recipients or apparently eligible CalWORKs applicants, who are homeless or at risk of homelessness. A CalWORKs family is considered homeless for purposes of receiving homeless assistance if the family:

- 1) Lacks a fixed and regular nighttime residence;
- 2) Has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations;
- 3) Is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; or,
- 4) Has received a notice to pay rent or quit.

The CalWORKs Homeless Assistance Program offers two types of assistance: temporary shelter assistance and permanent housing assistance. Temporary shelter assistance helps families pay the costs of temporary shelter and 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.

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 2 months arrearages to prevent eviction.

Requirements for Temporary Shelter Assistance: In order for a family to receive temporary shelter assistance, they must meet the following requirements:

- 1) The family must demonstrate that the eviction causing the family to become homeless is the result of a verified financial hardship stemming from extraordinary circumstances beyond the family's control and that the family is experiencing a financial crisis that may result in homelessness if preventive assistance is not provided;
- 2) The family must not have assets valuing over \$100; and,
- 3) In order to extend benefits from three days to 16 days, the family must document their "good faith but unsuccessful efforts to locate a permanent home."

***Need for this bill:*** Increasing cost of living and the need to streamline administrative processes for the HAP program have prompted changes to the program in recent years. This bill modifies several requirements for obtaining and extending homeless assistance in order to make program assistance more attainable to low-income families facing homelessness. This bill also streamlines procedures by eliminating the initial three-day temporary assistance payment, which is followed by additional payments, and instead allows the county to make the 16-day payment in one transaction. These changes are intended to remove barriers to homeless assistance and alleviate mandatory check-ins that can be particularly cumbersome when a family is trying to locate permanent housing.

For many families, it can typically take more than 16 days to move out of homelessness and into a new residence. To address this predicament that families often find themselves in at the end of the benefit period, this bill permits a 16-day extension of benefits beyond the current maximum of 16 cumulative calendar days. This bill also permits an additional extension of up to 30 calendar days if the family has secured, but has not moved into, permanent housing prior to the last day of the temporary shelter assistance. This change is intended to prevent a situation in which a family on temporary shelter assistance that has obtained permanent housing that is not yet available for them to move into becomes homeless when the temporary benefit runs out while they are awaiting their move in date.

According to the author, "California is experiencing a homelessness crisis affecting thousands of families and children across the state. In fact, a 2019 homeless point-in-time count estimated that 8,000 families and 14,000 children were homeless in California last year. The impact of homelessness on children is especially devastating, with issues spanning from hunger, lowered academic achievement, increases in stress and depression, developmental delays, and overall poor mental health. The current COVID-19 pandemic only exasperates the economic challenges faced by low-income families, and will likely cause an exponential increase in homelessness in its aftermath.

"As California works to find solutions for the COVID-19 pandemic *and* our statewide housing and homelessness crisis, we must do more to provide safe and continuous shelter to the most vulnerable among us. [This bill] makes significant adjustments to the CalWORKs Homeless

Assistance program, which is often the only lifeline afforded to unhoused families. Improving program eligibility is critical to protecting thousands of vulnerable Californians.”

**RELATED AND 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) of 2018*** would have expanded the housing arrangements for which a CalWORKs housing assistance payment may be used. AB 1921 was vetoed by Governor Brown.

***AB 236 (Maienschein), Chapter 545, Statutes of 2017***, adopted changes to CalWORKs housing assistance for temporary shelter to make the assistance available to certain families receiving reunification services through the child welfare services system and required CDSS to work with certain entities to report to the Legislature on shelter costs and best practices for transitioning families to permanent shelter.

***AB 557 (Rubio), Chapter 691, Statutes of 2017***, authorized, as of July 1, 2018, applicants for and recipients of CalWORKs benefits who have experienced domestic violence to be eligible for CalWORKs homeless assistance and good-cause exemptions from school participation and immunization requirements under specified circumstances.

***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.

***AB 2631 (Santiago) of 2016*** would have removed the once-in-a-lifetime limit on CalWORKs homeless assistance benefits and extended from 16 days per lifetime to 30 days, per year, the permissible length of time for receipt of temporary shelter assistance. AB 2631 was held on the Assembly Appropriations Committee suspense file.

***AB 702 (Maienschein) of 2015*** would have deleted the requirement that CalWORKs temporary shelter assistance be provided consecutively to a limit of 16 days and instead allowed a family to receive temporary shelter assistance for a total of 16 calendar days to be used at any time they were both homeless and receiving CalWORKs aid. AB 702 was held on the Senate Appropriations Committee suspense file.

***AB 264 (Maienschein) of 2014*** would have deleted the requirement that CalWORKs temporary shelter assistance be provided for 16 consecutive days and instead allowed a family to receive temporary shelter assistance for a total of 16 calendar days to be used at any time they were both homeless and receiving CalWORKs aid. AB 264 was held on the Senate Appropriations Committee suspense file.



*AB 1452 (Stone) of 2014* would have provided additional temporary assistance to homeless families receiving CalWORKs benefits by increasing the daily temporary shelter assistance amount from \$65 to \$75 and attaching an annual cost of living adjustment to that amount. AB 1452 was held on the Senate Appropriations Committee suspense file.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Coalition of California Welfare Rights Organizations (Sponsor)  
Western Center on Law & Poverty, INC. (Sponsor)  
California Apartment Association  
California Association of Food Banks  
California Catholic Conference  
California Food Policy Advocates  
California Travel Association (CALTIA)  
Community Clinic Association of Los Angeles County  
East Bay Community Law Center  
Friends Committee on Legislation of California  
Hollywood Chamber of Commerce  
Jewish Family Service of Los Angeles  
Junior League Los Angeles  
National Association of Social Workers, California Chapter  
National Lawyers Guild San Francisco Chapter, Doris Brin Walker Legislative Reform Committee  
San Francisco Senior and Disability Action  
St. Anthony Foundation

**Opposition**

None on file

**Analysis Prepared by:** Debra Cooper / HUM. S. / (916) 319-2089