

Date of Hearing: July 11, 2023

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Corey A. Jackson, Chair

SB 773 (Glazer) – As Amended April 10, 2023

SENATE VOTE: 40-0

SUBJECT: CalWORKs: homeless assistance

SUMMARY: Authorizes counties, for purposes of determining eligibility for specified California Work Opportunity and Responsibility to Kids (CalWORKs) payments issued to prevent eviction, to include amounts from other subsidy programs as well as private support, when calculating a family's total monthly household income. Requires the California Department of Social Services (CDSS) to collect specific, statewide data regarding homeless assistance and to establish a statewide stakeholder advisory group to develop specified recommendations to better support CalWORKs recipients in need of permanent housing. Specifically, **this bill**:

- 1) Allows, not requires, a county human services agency, for purposes of eligibility to secure a payment within the CalWORKs permanent homeless assistance program, to include in the calculation of the family's total monthly household income, any amount that is regularly received from other government and nonprofit housing and homeless subsidy programs, and any regularly received private support intended or designed to help the family with housing.
- 2) Prohibits the additional sources of income, as described in 1) above, from being included in the calculation of the family's income for purposes of calculating the amount of CalWORKs aid paid.
- 3) Requires a county, upon issuing the first payment of temporary homeless assistance for the costs of temporary shelter, to refer the CalWORKs assistance unit to any other homeless assistance services provided under CalWORKs, and to give them priority for those services.
- 4) Requires CDSS, on or before January 1, 2025, to do all of the following:
 - a) Collect statewide data to determine the number of applicants for CalWORKs temporary and permanent homeless assistance, the income level of the applicants, whether the applicants are approved or denied for homeless assistance, and, if the applicant is denied, the reason for the denial;
 - b) Establish a statewide stakeholder advisory group, or modify the responsibilities of an existing advisory group, to develop the recommendations described in d) below;
 - c) Requires the statewide stakeholder advisory group to include, but not be limited to, representatives of the Legislature, state agencies, county agencies, municipal agencies, community-based organizations, advocates for CalWORKs recipients and homeless individuals, and individuals or families who are homeless or receive CalWORKs benefits; and,

- d) Coordinate and support the statewide stakeholder advisory group in developing recommendations on both of the following:
 - i) How to adequately collect data on the usage of the homeless assistance to show who is able to access it and how to promote higher utilization; and,
 - ii) How to better support CalWORKs recipients in identifying and maintaining permanent housing.

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 United States Code 601 *et seq.*)
- 2) Establishes 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. (Welfare and Institutions Code Section [WIC] 11200 *et seq.*)
- 3) Establishes income, asset, and real property limits used to determine eligibility for the CalWORKs program and grant amounts based on family size and county of residence. (WIC 11150, 11160, 11450 *et seq.*)
- 4) Makes available an allowance for nonrecurring special needs for a homeless family seeking shelter when the family is eligible for CalWORKs aid. (WIC 11450(f)(3)(A))
- 5) Defines a family to be considered homeless, for the purpose of eligibility for CalWORKs Homeless Assistance, when the family lacks a fixed and regular nighttime residence, among other criteria. Additionally defines a family to be considered homeless if the family has received a notice to pay rent or quit, or any notice that could lead to an eviction, regardless of the circumstances cited in the eviction notice, as provided. (WIC 11450(f)(3)(B))
- 6) Makes a nonrecurring special needs benefit of \$85 per day to families with up to four members for the costs of temporary shelter, and \$15 per day for each additional family member, up to \$145. Allows county human services agencies to increase the daily amount available for temporary shelter as necessary to secure the additional bed space needed by the family. (WIC 11450(f)(4)(A)(i))
- 7) Limits eligibility for housing assistance to 16 calendar days of temporary homeless assistance and one payment of permanent homeless assistance every 12 months, with certain exceptions, and requires that a person who applies for these benefits be informed of this time limit. Allows for exceptions to these limits in the case of domestic violence, illness, natural catastrophe, and state or federally declared disaster. (WIC 11450(f)(4)(E)(i))
- 8) Allows a county to require that a recipient of homeless assistance who qualifies for benefits for a second time in a 24-month period participate in a homelessness avoidance case plan as a condition of eligibility for benefits only if a county provides a housing navigation caseworker to assist with securing permanent housing and housing case management services. (WIC 11450(f)(4)(E)(iii))

- 9) Allows a nonrecurring special needs benefit for permanent homeless assistance for last month's rent and security deposits if these payment are 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. (WIC 11450(f)(4)(B)(i))
- 10) Requires the last month's rent or monthly arrearage portion of the payment without the value of CalFresh or special needs benefits for a family of that size meet both of the following requirements: a) not exceed 80% of the family's total monthly household income, and b) be made to families that have found permanent housing costing no more than 80% of the family's total monthly household income. (WIC 11450(f)(4)(B)(ii)(I-II))

FISCAL EFFECT: According to the Senate Appropriations Committee analysis on May 1, 2023:

- CDSS estimates unknown ongoing costs, likely millions to tens of millions (General Fund), due to an expansion of the permanent homeless assistance caseload. In addition, CDSS estimates one-time automation costs to implement the provisions would be approximately \$1.2 million.
- Cost to counties for administration would be potentially reimbursable by the state, subject to a determination by the Commission on State Mandates.

COMMENTS:

Background: *CalWORKs* is the state's primary cash assistance program. More specifically, CalWORKs implements the federal TANF program which is a federal flexible block grant with the objective of providing income and support to families with children. CalWORKs provides eligible low-income families with cash grants and supportive services aimed at helping them to secure housing, education, training, and employment. Among others, the supportive services include mental health counseling, substance use disorder treatment, or domestic violence services; job skills training; attendance in a secondary school or in a course leading to certificate of general educational development.

In 2021-22, the maximum monthly grant for a family of three on CalWORKs (one parent and two children), if the family has no other income and lives in a high cost-of-living county, is \$925. The same family living in a lower cost-of-living county would be eligible for up to \$878 per month. However, the average monthly cash grant for the family is estimated to be \$717. Many families earn some income, or live in a lower cost-of-living county, and do not qualify for the maximum grant amount. About 398,400 families are projected to receive CalWORKs benefits in Fiscal Year 2022-23.

Homelessness in California. The United States Department of Housing and Urban Development (HUD) conducts an annual report using data from local Continuums of Care (CoCs), known as the Point in Time count. CoCs provide data to HUD regarding the number of individuals experiencing homelessness on any given night, including individuals experiencing homelessness who are "sheltered" and living in temporary shelters and those who are "unsheltered" or living out in the open. In the 2022 Annual Homelessness Assessment Report, HUD found that 145,983 individuals experiencing homelessness lived in California, and of those, 111,206 were unsheltered. The impacts of homelessness are substantial and lasting. Housing insecurity is correlated with adverse health effects, including high rates of chronic disease, illness, and a

broad range of mental health and substance use issues. The health, personal, and economic challenges that homeless individuals face and the lack of coordinated services to address these problems often lead to a cycle of housing instability and health deterioration. These compounded factors only make it more difficult to exit homelessness and create barriers to the resources necessary for self-sufficiency.

CalWORKs Homeless Assistance Program was established to help CalWORKs families meet the reasonable costs of securing housing. The program 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 family is required 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.

The CalWORKs Homeless Assistance Program offers two types of assistance: temporary shelter assistance and permanent housing assistance. Both temporary and permanent homeless assistance payments are limited to once every 12 months with the exceptions of homelessness due to domestic violence, inhabitability of the former residence caused by sudden or unusual circumstances, or a medically verified physical or mental illness.

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. Temporary homeless benefits are granted or denied the same day as a family's application for homeless assistance and, if granted, the benefits are made available for up to three working days. After homelessness has been verified, the three-day limit can be extended, in one-week increments, up to a total of 16 calendar days of assistance. The extension(s) are based on documentation of a housing search.

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.

Currently, permanent housing assistance is available to pay for last month's rent and security deposits if these payments are 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. To be eligible, the last month's rent or monthly arrearage portion of the payment must meet both of the following requirements:

- It shall not exceed 80% of the family's total monthly household income without the value of CalFresh benefits or special needs benefit for a family of that size.
- It shall only be made to families that have found permanent housing costing no more than 80% of the family's total monthly household income without the value of CalFresh benefits or special needs benefit for a family of that size.

According to data tables from CDSS, in the 2021-22 fiscal year, 75,480 applicants to the temporary shelter program were approved out of 86,423 which is about a 90% approval rate. However, during this same time period, only 2,705 applicants were approved for the permanent housing program out of 4,765 which is about a 50% approval rate. During the 2022-23 fiscal year, the most recent available data shows only 783 applicants have been approved statewide in July and August of 2022. This data shows a clear gap in the number of families qualifying for the permanent housing assistance and those qualifying for temporary assistance.

Advocates for CalWORKs recipients believe that the program's low utilization is due to the challenging 80% threshold for applicants to meet. Increasing county flexibility when evaluating an applicant's income would help more CalWORKs recipients qualify while ensuring they can reasonably afford to stay housed.

This bill would permit counties to opt in to allow income that is currently not counted toward a family's household income, to be included in the eligibility calculation in an effort to offer this assistance to more applicants.

Author's Statement: According to the author, "Many of California's lowest income families and single parents rely on CalWORKs for cash assistance and other resources to stay housed. Amongst other programs, CalWORKs Homeless Assistance provides temporary shelter assistance and permanent housing assistance. Permanent housing assistance can provide a CalWORKs family with a security deposit and last month's rent, or it can provide up to two months of rent arrearages to prevent eviction.

"However, permanent housing assistance is severely under-utilized due in large part to the 80% threshold. Under current requirements, applicants to permanent housing assistance cannot pay more than 80% of their income towards rent in order to qualify. This outdated requirement may have worked when this program was initially established decades ago, but it has not been updated to reflect the sky-rocketing rents CalWORKs recipients cannot afford.

"If a CalWORKs family is able to find permanent housing, our state should encourage and assist them with maintaining it. This bill would ease the qualifications by allowing counties to count regularly government assistance, nonprofit assistance, and private assistance by the CalWORKs family towards the 80% income threshold for the purposes of this program. This bill would open up eligibility to more CalWORKs families, while respecting local discretion."

Need for this bill: The provisions of this bill seek to provide counties with flexibility in calculating income in an effort to increase the number of families who would be eligible to receive payments aimed at preventing eviction. Currently, to be eligible to receive these payments, a CalWORKs recipient must pay no more than 80% of their income toward rent. By excluding some sources of income from that calculation, many families in need are unable to qualify for this assistance.

This bill also requires CDSS to collect statewide data to determine the number of applicants for homeless assistance, the income level of the applicants, whether the applicants are approved or denied for homeless assistance, and, if the applicant is denied, the reason for the denial. Additionally, this bill requires CDSS to establish a stakeholder advisory group in an effort to better support CalWORKs recipients in identifying and maintaining permanent housing.

Equity Implications: The CalWORKs program is meant for low-income families in need of additional aid to support themselves and their families. Being able to make ends meet in California with such a low-income is incredibly challenging. As part of CalWORKs, housing assistance is available to pay for last month's rent and security deposits if these payments are a reasonable condition of preventing eviction.

However, in order to be eligible for this permanent housing assistance, these payments cannot exceed 80% of the family's total monthly household income. This bill is meant to directly support CalWORKs families when they are able to locate permanent housing, or are at-risk for eviction, and ease their ability to qualify for an underutilized aid program that has an income threshold many CalWORKs families struggle to meet.

According to the June 2023 UCSF study on people experiencing homelessness, *"Toward a New Understanding"*, more than 171,000 people experience homelessness daily, and California includes 30% of the nation's homeless population. According to the study, 70% of respondents believed that a monthly rental subsidy of \$300-\$500 would have prevented their homelessness for a sustained period; and 82% believed receiving a one-time payment of \$5,000-\$10,000 would have prevented their homelessness.

Affordable housing in California is scarce and challenging to locate for many families, and is particularly difficult for families receiving CalWORKs. This bill will allow more families in need to qualify for the housing assistance that will keep them from falling into homelessness.

Policy Considerations:

This bill is optional for counties to participate in which will likely cause some counties to not participate while neighboring counties do participate. Implementing poverty prevention tools for only some creates inequities.

Should this bill move forward, the author may wish to consider equitable ways to provide housing assistance across county lines.

This bill changes how counties, who choose to participate, determine eligibility. As such, these changes will need to be reflected in the California Statewide Automated Welfare System (CalSAWS), which is used when applying for many public benefits including CalFresh, Medi-Cal, Refugee Assistance, and County Medical Services. Additionally, this bill will require CDSS to collect specified data on their clients, which is also entered into CalSAWS.

Should this bill move forward, the author may wish to consider delaying implementation of this bill to accurately reflect when CalSAWS will be able to incorporate these new requirements.

RELATED AND PRIOR LEGISLATION:

SB 1083 (Skinner), Chapter 715, Statutes of 2022, allowed a family to be eligible for CalWORKs Homeless Assistance if they have received any notice that could lead to an eviction, regardless of the circumstances cited in the notice, and provided that a county can only require a family to participate in a “homelessness avoidance case plan” as a condition of receiving assistance twice in a 24-month period if that county has also provided a caseworker who can assist with securing permanent housing.

AB 2230 (Gipson) of 2022, would have required families receiving temporary shelter assistance through the CalWORKs Homeless Assistance program to receive 16 days of temporary shelter assistance in the form of a one-time payment, instead of receiving 16 days of temporary shelter assistance in the form of an initial payment of three days that can be extended in one-week increments. *AB 2230 was vetoed by Governor Newsom.*

SB 1065 (Hertzberg), Chapter 152, Statutes of 2020, made various changes to the CalWORKs Homeless Assistance program, including removing liquid resource limits, simplifying verification of homelessness, and expanding eligibility as a result of a state or federally declared disaster, among other changes.

SB 960 (Maienschein), Chapter 444, Statutes of 2019, expanded the type of housing for which a CalWORKs Homeless Assistance payment can be made to include a person with whom, or an establishment with which, the family requesting assistance has executed a valid lease, sublease, or shared housing agreement.

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.

REGISTERED SUPPORT / OPPOSITION:**Support**

California Catholic Conference
Coalition of California Welfare Rights Organizations
National Association of Social Workers, California Chapter

Opposition

None on file

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