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Approved as to Form and Legality



# **OAKLAND CITY COUNCIL**

# RESOLUTION NO. \_\_\_\_\_ C.M.S.

## INTRODUCED BY COUNCILMEMBER DAN KALB

RESOLUTION IN SUPPORT OF SENATE BILL 912 (BEALL & SKINNER) THAT WOULD PROVIDE \$1 BILLION EACH IN FUNDING (1) FOR PERMANENT AND TRANSITIONAL RENTAL HOUSING FOR PERSONS WITH INCOMES UP TO 60% AMI AND (2) TO ADDRESS HOMELESSNESS

**WHEREAS,** California is facing a housing shortage, having failed to produce the estimated 180,000 necessary new housing units per year since the 1980s; and

WHEREAS, California is home to 23 of the 30 most expensive rental housing markets in the country and has a 3.5 million unit shortage of housing available to our lowest income households; and

WHEREAS, the housing crisis has had disproportionate impact on the middle class and the poor, with a person earning minimum wage needing to work three jobs on average to pay the rent for a two-bedroom unit, the high housing costs forcing lower income people to spend most of their income on rent, and young families often needing to postpone or forego homeownership or commute further to work; and

WHEREAS, for years, the Bay Area has been emblematic of the housing crisis problems facing California, with sky rocketing rents and many people at risk of displacement; and

WHEREAS, perhaps the most devastating impact of the housing crisis has been the increase in homelessness across California; and

WHEREAS, despite various efforts by the California Legislature in recent years to address the housing crisis, California has not been able to fill the funding gap from the loss of redevelopment funds and statewide housing bonds passed in the 2000s; and

WHEREAS, the housing crisis will likely worsen due to actions taken by the Federal government, including the tax plan passed by Congress, which will result in an estimated annual loss of \$540 million to California; and

WHEREAS, Senate Bill (SB) 912 (Beall & Skinner) would allocate \$2 billion in state one-time general fund revenue for cities, counties and nonprofits to immediately house and help the homeless, including \$1 billion for the Multifamily Housing Program and \$1 billion for long-term investments to prevent and end homelessness among vulnerable populations; and

WHEREAS, SB 912 is endorsed by numerous municipal governments and other groups; now, therefore be it

**RESOLVED**: That the Oakland City Council hereby endorses SB 912 and urges the California State Legislature and Governor Edmund G. Brown, Jr. to support its enactment into law.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB, KAPLAN, AND PRESIDENT REID

NOES -

### ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS City Clerk and Clerk of the Council of the City of Oakland, California

#### FILED DIFICE OF THE CITY CLERK GAKLAND

# 18 MAY 24 PM 4:05



Councilmember Dan Kalb

CITY OF OAKLAND

CITY HALL - ONE FRANK H. OGAWA PLAZA, 2<sup>ND</sup> FLOOR - OAKLAND - CALIFORNIA 94612

# Agenda Memorandum

To: City Council

From: Councilmember Dan Kalb

Date: May 24, 2018

Subject: Support of SB 912: Homelessness & Affordable Housing Funding

Colleagues on the City Council and Members of the Public,

With my introduced Resolution of Support for SB 912 (Beall & Skinner), I am submitting the attached Fact Sheet, April 20, 2018 bill analysis from the Senate Committee on Transportation and Housing, and text of the bill.

Respectfully submitted,

Dan Kall

Dan Kalb, Councilmember

# UFFICE OF THE CITY CLERK

# 18 MAY 24 PM 4:05

# AMENDED IN SENATE APRIL 12, 2018 AMENDED IN SENATE MARCH 8, 2018 AMENDED IN SENATE FEBRUARY 20, 2018

## SENATE BILL

No. 912

Introduced by Senators Beall and Skinner (Coauthors: Senators Hill, Lara, Portantino, and Wiener)

#### January 18, 2018

An act to add Chapter 2.7 (commencing with Section 50480) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 912, as amended, Beall. Housing: homelessness programs and affordable housing.

Existing law establishes the Department of Housing and Community Development in the Business, Consumer Services, and Housing Agency and makes the department responsible for administering various housing programs throughout the state, including, among others, the Multifamily Housing Program.

This bill, upon appropriation in the annual Budget Act, would require that the sum of \$2,000,000,000 be allocated from the General Fund to the Department of Housing and Community Development. The bill would require that \$1,000,000,000 of that money be transferred to the Housing Rehabilitation Loan Fund and expended to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for persons with incomes of up to 60% of the area median income. The bill would require that the remaining \$1,000,000,000 be used to address homelessness, particularly homelessness among members of vulnerable populations, and provide

#### SB 912

for the allocation of that money for grants to cities and counties for specified related purposes, grants under the Housing for a Healthy California Program, funding for a specified homeless youth program, grants under the California Emergency Solutions Grants Program for the purpose of addressing the specific needs of homeless youth, as provided, and assistance for housing and services for survivors of domestic violence, as provided. The bill would also include legislative findings as to the necessity to provide additional funding for housing.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

#### The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares the following:
 (a) Despite recent legislative efforts, California has not been
 able to fill the funding gap from the loss of redevelopment funds
 and statewide housing bonds passed in the 2000s. The state housing
 crisis is the leading driver of the rise in homelessness.

(b) The recent 2017 federal tax law, Public Law 115-97, reduces
the value of the low-income housing tax credit (LIHTC). The
LIHTC program is the most successful state and national housing
program and critical for all affordable housing built in California.
As a result, California will lose \$540 million, or about 4,000 to
5,000 units, per year.

(c) According to the Department of Finance, over the last 10
years, California has experienced a 34 percent reduction in federal
housing funds.

(d) According to the Department of Housing and Community
Development, from 2016 to 2017, California experienced the
largest increase in the number of people experiencing
homelessness, about 14 percent. Its homeless population accounts
for 25 percent of the national homeless population.

(e) Housing the homeless saves taxpayer money. According to
the most comprehensive homelessness cost study in the United
States, the average prehousing public cost was \$62,000, and the
average posthousing cost was \$20,000, equal to an annual reduction
of nearly \$43,000, or 68 percent.

(f) It is the intent of the Legislature to offset federal funding
cuts and the reduced value of the LIHTC by investing in existing
and successful state housing programs.

1 (g) It is further the intent of the Legislature to emphasize the 2 financing of housing for vulnerable populations, including: 3 chronically homeless persons who frequently use hospitals or are 4 incarcerated, homeless transitional age youth, homeless college 5 students, families with repeated instances of homelessness, 6 domestic violence survivors, veterans, and persons with a physical 7 or mental disability.

8 SEC. 2. Chapter 2.7 (commencing with Section 50480) is added 9 to Part 2 of Division 31 of the Health and Safety Code, to read:

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# Chapter 2.7. Funding for Homelessness Programs and Affordable Housing

50480. Upon appropriation in the annual Budget Act for
purposes of this section, the sum of two billion dollars
(\$2,000,000,000) shall be allocated from the General Fund to the
Department of Housing and Community Development for the
following purposes:

19 (a) One billion dollars (\$1,000,000,000) shall be transferred to 20 the Housing Rehabilitation Loan Fund established pursuant to 21 Section 50661. The moneys in the fund transferred pursuant to 22 this subdivision shall be used for the Multifamily Housing Program 23 authorized by Chapter 6.7 (commencing with Section 50675), to 24 be expended to assist in the new construction, rehabilitation, and 25 preservation of permanent and transitional rental housing for 26 persons with incomes of up to 60 percent of the area median 27 income.

(b) One billion dollars (\$1,000,000,000) shall be used to address
homelessness, particularly homelessness among members of
vulnerable populations, to be allocated as follows:

31 (1) Seven hundred million dollars (\$700,000,000) shall be used 32 to provide grants to cities and counties that agree to provide 33 matching funds to alleviate chronic homelessness within their 34 jurisdictions. Cities and counties shall apply to the department for 35 grants pursuant to this paragraph in the form and manner prescribed by the department. Authorized uses of the moneys allocated 36 37 pursuant to this paragraph include, but are not limited to, the 38 following:

39 (A) Rental assistance and flexible housing subsidy pool40 investments.

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1 (B) Operating subsidies, including gap financing to make 2 supportive housing projects that offer lower rents financially viable.

(C) Capital grants.

(D) Interim housing.

5 (E) Emergency shelters, navigation centers, and rapid rehousing 6 projects.

7 (F) (i) Construction of affordable housing that includes housing 8 for homeless persons.

9 (ii) The department shall set aside a portion of the moneys allocated pursuant to this paragraph for purposes of this 10 subparagraph and deposit those moneys in the Housing 11 12 Rehabilitation Loan Fund established pursuant to Section 50661. 13 The moneys in the fund shall be used for the Multifamily Housing 14 Program authorized by Chapter 6.7 (commencing with Section 15 50675), to be expended to assist in the new construction, 16 rehabilitation, and preservation of permanent and transitional rental 17 housing for persons with incomes of up to 60 percent of the area median income, that makes at least 20 percent of the units available 18 19 to persons who are chronically homeless.

(2) Two hundred million dollars (\$200,000,000) shall be used
to provide grants under the Housing for a Healthy California
Program established pursuant to Part 14.2 (commencing with
Section 53590).

24 (3) Fifty million dollars (\$50,000,000) shall be transferred to 25 the Housing Rehabilitation Loan Fund to be expended under the 26 Multifamily Housing Program authorized by Chapter 6.7 27 (commencing with Section 50675) for housing for homeless youth 28 in accordance with the department's Homeless Youth Multifamily 29 Housing Program, previously funded pursuant to clause (ii) of 30 subparagraph (A) of paragraph (1) of subdivision (a) of Section 31 <del>53545.</del>

32 (3) (A) Fifty million dollars (\$50,000,000) shall be used to
33 provide grants under the California Emergency Solutions Grants
34 Program (Chapter 19 (commencing with Section 50899.1)) for the
35 purpose of addressing the specific needs of homeless youth, in
36 accordance with the following:

37 (i) Activities funded with a grant pursuant to this paragraph
38 shall be those activities identified in Section 50899.4 and, in
39 addition, family finding services to locate and engage relatives of

homeless youth with the goal of connecting homeless youth who
 wish to be reconnected with family.

3 (ii) Activities funded with a grant pursuant to this paragraph
4 shall incorporate the core components of Housing First, as
5 provided in subdivision (b) of Section 8255 of the Welfare and
6 Institutions Code.

7 (iii) Providers offering services funded with a grant pursuant 8 to this paragraph shall demonstrate the ability to provide 9 comprehensive, culturally competent, and trauma-informed 10 services to meet the needs of homeless youth, including the specific 11 needs of lesbian, gay, bisexual, and transgender youth, 12 commercially sexually exploited children and young people, youth 13 of color, and survivors of domestic violence.

14 (B) For purposes of this paragraph, "homeless youth" has the 15 same meaning as defined in paragraph (2) of subdivision (e) of 16 Section 12957 of the Government Code.

17 (4) Fifty million dollars (\$50,000,000) shall be transferred to

18 the Domestic and Sexual Violence Prevention Complementary

19 Services Fund, upon establishment of that fund within the Office

20 of Emergency Services, and used to provide housing and services

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21 for survivors of domestic violence.

# SENATE COMMITTEE ON TRANSPORTATION AND HOUSING Senator Jim Beall, Chair 2017 - 2018 Regular

Bill No: Author:	SB 912 Beall		Hearing Date:	4/24/2018	18 MAY	FICE OF
Version:	4/12/2018	Amended			N) .#	
Urgency:	No		Fiscal:	Yes		
<b>Consultant:</b>	Erin Riches				TK F	(j) 1 (
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**SUBJECT:** Housing: homelessness programs and affordable housing

**DIGEST:** This bill appropriates \$2 billion from the General Fund to homelessness programs, as specified.

## **ANALYSIS:**

#### *Existing law:*

- 1) Establishes the Multifamily Housing Program under the state Department of Housing and Community Development (HCD) to assist the new construction, rehabilitation, and preservation of permanent and transitional rental housing for lower income households through loans to local governments and non- and for-profit developers. Funds are directed to those with incomes up to 60% of area median income (AMI).
- 2) Establishes the Housing for a Healthy California Program under HCD to fund competitive grants to pay for housing construction or operating costs for chronically homeless Medi-Cal beneficiaries who meet specified criteria, including being eligible for Supplemental Security Income. This program is intended to complement the Whole Person Care Pilot Program under the state Department of Social Services, which incentivizes local governments and agencies to coordinate health, behavioral health, and social services for individuals who have been identified as high users of multiple systems and continue to have poor health outcomes.
- 3) Establishes the California Emergency Solutions Grants (ESG) Program under HCD. This program provides federal funding to engage homeless individuals and families living on the street; improves the number and quality of emergency shelters for homeless individuals and families; helps operate these shelters; provides essential services to shelter residents; rapidly re-houses homeless

individuals and families; and prevents families and individuals from becoming homeless.

4) Establishes the No Place Like Home Program under HCD. This program provides funds to counties to acquire, design, construct, rehabilitate, or preserve permanent supportive housing for individuals who are experiencing homelessness, experiencing chronic homelessness, at risk of chronic homelessness, and in need of mental health services. Counties must commit to provide mental health services and help coordinate access to other communitybased supportive services.

## This bill:

Allocates, upon appropriation in the annual Budget Act, \$2 billion from the state General Fund to HCD as follows:

- 1) \$1 billion to the Multifamily Housing Program to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for individuals with incomes of up to 60% AMI.
- 2) \$1 billion to address homelessness, particularly among members of vulnerable populations, as follows:
  - a) \$700 million for grants to cities and counties that agree to provide matching funds to alleviate chronic homelessness within their jurisdictions, including but not limited to:
    - i) Rental assistance and flexible housing subsidy pool investments.
    - ii) Operating subsidies, including gap financing to make supportive housing projects that offer lower rents financially viable.
    - iii) Capital grants.
    - iv) Interim housing.
    - v) Emergency shelters, navigation centers, and rapid rehousing projects.
    - vi) Construction of affordable housing that includes housing for homeless persons. An unspecified portion shall be set aside for the Multifamily Housing Program, with at least 20% of the units available to chronically homeless persons.
  - b) \$200 million to the Housing for a Healthy California Program.

- c) \$50 million to the ESG Program for the purpose of addressing the specific needs of homeless youth, as follows:
  - i) Requires eligible activities to include, in addition to currently eligible activities, family finding services to locate and engage relatives of homeless youth with the goal of connecting homeless youth who wish to be reconnected with family.
  - ii) Requires funded activities to incorporate the Core Components of Housing First as outlined in existing law.
  - iii) Requires providers offering services comprehensive, culturally competent, and trauma-informed services to meet the needs of homeless youth, including the specific needs of lesbian, gay, bisexual, and transgender youth; commercially sexually exploited children and young people; youth of color; and survivors of domestic violence.
- d) \$50 million to the Domestic and Sexual Violence Prevention Complementary Services Fund, upon establishment of that fund, to provide housing and services for survivors of domestic violence.

## **COMMENTS**

- 1) *Purpose*. The author states that in the last two years, the Legislature has taken giant steps to address the state's housing and homelessness crisis by passing the No Place Like Home initiative in 2016 and a comprehensive housing package of 15 funding and reform bills in 2017. Despite these monumental efforts, the California housing shortage will only be exacerbated by the tax plan passed by the federal government, which reduces the value of the low-income housing tax credit (LIHTC). In addition, over the last 10 years, California has experienced a 34% reduction in federal housing funds. This lack of funds has had a direct impact on homelessness, which rose 14% in California from 2016 to 2017. Despite recent efforts, California has been unable to fill the funding gap from the loss of redevelopment funds and statewide housing bonds passed in the 2000s. This bill proposes to invest \$2 billion in one-time funds from the projected \$6 billion state budget surplus into housing for the homeless and for low-income families most at risk of becoming homeless. This bill aims to provide funds directly to cities, counties, and non-profits, get the money out the door quickly by investing in existing affordable housing programs, offset federal funding cuts and the reduced value of the LIHTC, and fund programs that end and prevent homelessness.
- 2) *California's housing crisis*. California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact

on the middle class and working poor. An individual earning minimum wage must work three jobs, on average, to pay the rent for a two-bedroom unit. Housing units affordable to low-income earners, if available, are often in serious states of disrepair. California also faces a housing shortage. Since the 1980s, the state has failed to produce the estimated 180,000 necessary new housing units per year. According to HCD, California has a 1.5 million unit shortage of housing available to its lowest-income households, who are most at risk of becoming homeless. As a result, low-income families are forced to spend more and more of their income on rent, leaving little else for other basic necessities. High housing costs are a major driver for the increase in homelessness in California. The housing crisis is also impacting middleincome families as housing costs skyrocket and threaten our future and economy. Many young families must postpone or forego homeownership, live in more crowded housing, commute further to work, or, in some cases, choose to live and work elsewhere.

A recent report by HCD highlighted the depths of the state's housing shortage, showing that statewide for very low-, and extremely low- households, California is short about 1.5 million rental units.<sup>1</sup> That same report showed that for moderate and above moderate-income levels, there was a sufficient number of rental housing units, at least on a statewide average basis, indicating that the focus should be on the poorest households.

3) *Funding shortfall at every level.* Historically, the state has funded housing programs through the sale of general obligation bonds. Most recently, the voters approved a \$2.1 billion bond through Proposition 46 in 2002 and then a \$2.85 billion bond through Proposition 1C in 2006. These funds financed the construction, rehabilitation, and preservation of 183,000 units, including shelter spaces and permanent supportive housing for the homeless. HCD has awarded almost all of the funds made available under these propositions, particularly in its main programs.

Until 2011, the Community Redevelopment Law required redevelopment agencies to set aside 20% of all property tax increment revenue to increase, improve, and preserve the community's supply of low- and moderate-income housing available at an affordable housing cost. In fiscal year 2009-10, redevelopment agencies deposited \$1.075 billion of property tax increment revenues into their Low- and Moderate-Income Housing Funds. With the elimination of redevelopment agencies, this source of funding for affordable housing is no longer available.

<sup>&</sup>lt;sup>1</sup> California's Housing Future: Challenges and Opportunities (Public Draft) – op cit. Extremely low income households earn less than 30% of the area median income (AMI); very low income households earn between 30%-50% of AMI.

According to the Department of Finance and the US Department of Housing and Urban Development, California receives about \$627 million/year in funding for three major programs: HOME Investment Partnerships Program (HOME), Emergency Solutions Grants Program, and Community Development Block Grant Program. Over the last ten years, these programs have been reduced by 34%. According to the Department of Finance, the HOME and CDBG programs are most at risk of being cut by 2/3 or cut completely, which means significant cuts in funding for low-income and homeless Californians.

- 4) *Something old, something new*. This bill allocates funding to a variety of existing and new programs:
  - a) The Multifamily Housing Program (\$1 billion) is an existing HCD program that is not currently funded, though last year's housing package included allocations that HCD is in the process of implementing. The author notes that the allocation in this bill will help offset the decrease in value of federal tax credits due to federal tax reform and the lowering of the corporate tax rate.
  - b) The Housing for a Healthy California Program (\$200 million) was established under HCD last year (AB 74, Chiu, Chapter 777, Statutes of 2017) and HCD is in the process of implementing it.
  - c) The ESG Program (\$50 million) is an existing federal program that directs funding directly to urban (entitlement) areas and through HCD to rural (nonentitlement) areas. In 2016, California entitlement jurisdictions received \$20.4 million and HCD received \$12 million for non-entitlement jurisdictions.
  - d) The Domestic and Sexual Violence Prevention Complementary Services Fund (\$50 million) does not yet exist, but the author of this bill has submitted a budget request to establish this fund within the state Office of Emergency Services to provide housing and services for domestic violence survivors. Monies would be distributed through a competitive grant process to organizations addressing domestic and sexual violence.
  - e) The bill also allocates \$700 million to HCD (no specific program) for grants to cities and counties to address chronic homelessness. The author intends to provide flexible funds for, among other things, private landlords and housing providers for rental subsidies to encourage the use of housing choice vouchers; gap financing to make supportive housing projects pencil-out due

to lower rents; gap financing for supportive housing projects that are ready to go; affordable housing projects with at least 20% set aside for the chronically homeless, to encourage more deeply targeted projects; creative housing solutions for individuals who are awaiting some form of permanent housing; and shelters, navigation centers, and rapid rehousing. Moving forward, the author may wish to consider adding language to this bill providing such direction, as well as language to ensure transparency and accountability for how these funds are expended.

## **RELATED LEGISLATION:**

**AB 3171 (Ting, 2018)**—establishes the Local Homelessness Solutions Program, which would provide block grants to local governments to address homelessness, to be funded through an unspecified amount from the General Fund. *This bill is pending hearing in the Assembly Housing Committee*.

SB 2 (Atkins, Chapter 364, Statutes of 2017) — establishes the Building Homes and Jobs Act and imposes a \$75 fee on real estate transaction documents, excluding commercial and residential real estate sales, to provide funding for affordable housing.

**SB 3 (Beall, Chapter 365, Statutes of 2017)** — enacts the Veterans and Affordable Housing Bond Act of 2018 and authorizes the issuance of \$4 billion in general obligation bonds for affordable housing programs and a veterans' homeownership program, subject to approval by the voters in the November 6, 2018 election.

AB 1618 (Committee on Budget, Chapter 43, Statutes of 2016) — establishes the No Place Like Home Program to further the development of permanent supportive housing for persons who are in need of mental health services and are homeless, chronically homeless, or at risk of homelessness.

**FISCAL EFFECT:** Appropriation: NoFiscal Com.: YesLocal: No**POSITIONS:** (Communicated to the committee before noon on Wednesday,

April 18, 2018.)

# SB 912 (Beall)

# Page 7 of 7

### **SUPPORT:**

Affirmed Housing American Planning Association, California Chapter Aspiranet Association of California Cities - Orange County Bridge Housing California Apartment Association California Housing Consortium California State Association of Counties California Welfare Directors Association City of Berkeley City of El Cerrito City of Glendale City of San Jose City of San Marcos Community Home Builders and Associates **Corporation for Supportive Housing** County Behavioral Health Directors Association of California Housing Authority of the County of Santa Barbara Life Skills Training and Education Programs, Inc. (LifeSTEPS) Non-Profit Housing Association of Northern California Pacific Companies Paulett Taggart Associates, Inc. Richmond Neighborhood Housing Services Inc. Rural County Representatives of California Sacramento County Board of Supervisors Santa Clara County Tenderloin Neighborhood Development Corporation Urban Counties Caucus of California Western Community Housing, Inc.

#### **OPPOSITION:**

None received.

SH9D2 (Bend & Skinner) 82 Billion Homelescherszard Affindable Honerog Bundlag Ruppeal HactSheet - AmendalAphH2,2018

#### ISSUE

This bill allocates \$2 billion in one-time general fund revenues for cities, counties, and non-profits to immediately house and help the homeless, as well as hard working low-income families most at risk of homelessness.

#### BACKGROUND

California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact on the middle class and the working poor. A person earning minimum wage must work three jobs on average to pay the rent for a twobedroom unit. Housing units affordable to low-income earners, if available, are often in serious states of disrepair.

California also faces a housing shortage. Since the 1980s, California has failed to produce the estimated 180,000 necessary new housing units per year, which has had a disproportionate impact on lower-income families. According to HCD, California has a 3.5 million unit shortage of housing available to our lowest income households, who are most at risk of becoming homeless.

As a result, low-income families are forced to spend more and more of their income on rent, which leaves little else for other basic necessities. Even more devastating is that high housing costs are a major driver for the increase in homelessness across California.

High housing costs threaten our future and economy. Many young families must postpone or forego homeownership, live in more crowded housing, commute further to work, or, in some cases, choose to live and work elsewhere.

In the last two years, the Legislature has taken several steps to address the housing and homelessness crisis by passing the No Place Like Home Initiative and the 2017 housing package. Two bills in the housing package, namely SB 2 and SB 3, confronted California's housing crisis by increasing funding to existing and successful housing programs for the homeless, lower-income families, seniors, and people with disabilities. Despite these efforts, California has not been able to fill the funding gap from the loss of redevelopment funds and statewide housing bonds passed in the 2000s.

The crisis will likely only get worse due to draconian actions taken by the federal government. Congress passed a tax plan will result in an annual loss of \$540 million to California due to the reduced value of the low-income housing tax credit; this means California will lose 4,000 5,000 units per year. In addition, over the last 10 years, CA has experienced a 34% reduction in federal housing funds.

These funding cuts are exacerbating the homelessness crisis. From 2016 to 2017, California experienced the largest increase in the number of people experiencing homelessness (14%). Its homeless population accounts for 25% of the homeless population in the US.

Research shows that permanent housing solutions make good economic sense and saves taxpayers money. According to the most comprehensive homelessness cost study in the US, the average pre-housing public cost was \$62,000 and the average post-housing cost was \$20,000, a nearly \$43,000 or 68% annual reduction.

#### **THIS BILL**

SB 912 seeks to off-set actions taken at the federal level, as well as fill existing state funding gaps at the state level by allocating \$2 billion in one-time general fund revenues for cities, counties, and non-profits to immediately house and help the homeless, as well as hard working lowincome families most at risk of homelessness.

More specifically, SB 912 proposes the following investments to get the money out the door fast:

-\$1 billion to the Multifamily Housing Program, and

-\$1 billion for long-term investments to prevent and end homelessness among vulnerable populations, including:

- \$700 million in flexible funds to cities and counties providing a local match, for rental assistance, flexible housing subsidy pool investments, operating subsidies, capital grants, affordable housing construction with housing for the chronically homeless, interim housing solutions, shelters, navigation centers, and rapid rehousing
- \$200 million for the Housing for a Healthy California Program
- \$50 million for housing for homeless youth
- \$50 million for housing for domestic and sexual violence survivors

#### STATUS/VOTES

Introduced January 18, 2018 Amended February 20, 2018 Amended March 8, 2018 Amended April 12, 2018 Affirmed Housing American Planning Association - California Chapter Aspiranet Association of California Cities - Orange County **Bridge Housing** California Apartment Association California Housing Consortium California Housing Partnership Corporation California State Association of Counties California Welfare Directors Association City of Berkeley City of El Cerrito City of Emeryville City of Glendale City of Long Beach City of San Jose City of San Marcos City of Santa Monica Community Home Builders and Associates Corporation for Supportive Housing County Behavioral Health Directors Association of California County of Santa Clara EAH Housing **Enterprise Community Partners** Housing Authority of the County of Santa Barbara Housing Trust Silicon Valley Life Skills Training and Education Programs, Inc Non-Profit Housing Association of Northern California **Pacific Companies** Paulette Taggart Architects, Inc. Richmond Neighborhood Housing Services, Inc. Rural County Representatives of California Sacramento County Board of Supervisors SV@Home Tenderloin Neighborhood Development Corporation Urban Counties of California Western Community Housing, Inc.

#### **OPPOSITION**

None received.

#### FOR MORE INFORMATION

Staff Contact: Sunshine Borelli, Sunshine.Borelli@sen.ca.gov (916) 651-4015