



## **THE REGIONAL STEERING COMMITTEE ON HOMELESSNESS AND HOUSING**

*Together we:* Identify common problems, search for useful solutions

*Collectively we participate in:* Policy development  
Training Information sharing Action strategies  
Program design

### **WELCOME**

SEPTEMBER 17, 2004

10:00 AM – 3:00 PM

- 1. A look at current and possible future Ten-Year Plans**
  - a. *An update on ten-year plans in California and nation-wide*
  - b. *Points of consensus towards a California ten-year plan*
  - c. *Overview of emerging California strategies*
- 2. Department of Corrections, discharge planning, and best practices:** *An examination of the barriers parolees face and the actions needed to lessen them.*
- 3. Improving Access to Services**
  - a. *Mental Health Outreach, Assessment, Engagement and Treatment Linked to Housing Conference*
- 4. Trends in Affordable Housing**
  - a. *Millennial Housing Commission Report*
  - b. *National Housing Trust Fund*
  - c. *Region-wide trust fund conversation*
- 5. Regional Approaches to ending homelessness in the Bay Area:** *New interest in regional approaches.*
- 6. Federal and State News and Blues**
  - a. *TANF status*
  - b. *HUD/VA budget*
  - c. *DHHS/SAMHSA*
- 7. Topics and Meetings Dates for Rest of Year**

*Please see reverse side for upcoming meeting dates and topics.*

**Upcoming RSC Meetings -- Mark Your Calendars!**

November 19

January 28

March 18

**Upcoming RSC Meeting Topics for the month  
of November and beyond:**

- Taking a global look at homelessness: what are other countries doing to end homelessness?
- A convening of the local Department of Veterans Affairs homeless coordinators
- Institutionalization in the context of serving homeless people
- Mental Health Outreach Conference Planning

*We are so pleased to see all of you at these meetings; your presence and input are what make the RSC meaningful and successful. Thanks for keeping us in your busy schedules!*

**MEMORANDUM**

TO: Steering Committee on Homelessness and Housing

FROM: HomeBase

RE: An Update on Ten-Year Plans

DATE: September 17, 2004

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**Background**

For the past few years, Plans to End Homelessness have been a discussion topic at most RSC meetings. At our March 2004 meeting, RSC members reviewed an in-depth summary chart of 53 state, territory and city ten-year plans. This summary examined common themes and categories, as well as specific and unique strategies and action steps, and served to assist in the development of ten-year plans in California Continuums.

**A. Where does your Ten-Year Plan stand?**

<b>City/Area</b>	<b>Design Plan Process</b>	<b>Drafted</b>	<b>Approved</b>	<b>Implementing</b>
Contra Costa	X	X	X	X
Placer	X	X	X	X
Monterey	X	X		
San Jose	X	X	X	X
San Francisco	X	X	X	
Los Angeles	X	X	X	
Santa Clara	X			
Alameda	X			
San Diego	X			

**B. What do you need from the State in order to move your plan forward?**

Turning to Continuums' Ten-Year Plans in existence in California, as well as those in the development stages, State involvement becomes an important focus. Many of the 53 ten-year plans examined in the aforementioned summary chart call for federal and state involvement in their action steps. Following is a break down of ten-year plans within each category that do so:

**Access to Mainstream Barriers**

- 13 of 19 (68%) call for state action
- 11 of 19 (58%) call for federal action

**Service Integration and Coordination**

- 10 of 25 (40%) call for state action
- 2 of 25 (8%) call for federal action

**Affordable Housing**

- 14 of 30 (47%) call for state action
- 6 of 30 (20%) call for federal action

**Leadership, Administration, Coordination, and Legislation**

- 21 of 23 (87%) call for state action
- 6 of 23 (26%) call for federal action

**Collaboration/Infrastructure Development**

- 7 of 13 (54%) call for state action
- 1 of 13 (8%) call for federal action

**Funding**

- 9 of 18 (50%) call for state action
- 6 of 18 (33%) call for federal action

**Data Systems**

- 12 of 22 (55%) call for state action
- 3 of 22 (14%) call for federal action

**Public Relations, Marketing & Public Education**

- 10 of 15 (66%) call for state action
- 3 of 15 (20%) call for federal action

## **C. Examples of Ten-Year Plan Strategies and Action Steps to Engage State and Federal Government**

### **Prevention and Discharge Planning**

#### *State Action:*

- Expand DOC re-entry program that transitions individuals aged 16 to 25 leaving DOC institutions into safe housing and appropriate social services.
- Representatives from all State agencies operating a corrections or residential system review State discharge planning regulations and laws, assess role of housing placement, meet discharge planning providers, developing draft recommendations.
- Establish state guidelines for consistent discharge and medication protocols for individuals with mental health and/or substance abuse problems.

#### *Federal Action:*

- Use the Department of Human Services' Income Maintenance Administration and Family Services Administration to investigate and implement the use of TANF funds as a prevention tool.

### **Access to Mainstream Benefits**

#### *State Action:*

- State agencies to develop mechanisms to ensure access to mainstream services for homeless families with children through: including wording in RFP's, MOU's, Contracts, Interagency agreements. Wording should be developed in agreements to mandate attention towards homelessness and integrating services

#### *Federal Action:*

- Provide training to health care workers who work with homeless individuals on effective ways to appropriately document the medical conditions and disabilities that make an individual eligible for SSI
- Improve access and procedures for obtaining SSI, Medicaid, VA, TANF, Workforce Investment Act, CHP+ benefits.

### **Service Integration and Coordination**

#### *State Action:*

- Commission report to inventory existing assets, including resources, programs, collaborations, etc.
- Monitoring of State/City assertive Community Treatment Demonstration—assess the desirability of multi-disciplinary Assertive Community Treatment teams who provide comprehensive support services to clients outside traditional supportive housing projects.

#### *Federal Action:*

- Convene mental health and substance abuse/chemical dependency top-level policy makers to address the challenge of “improving linkages” and how they propose to solve program disconnects.

## **Affordable Housing**

### *State Action:*

- Utilize State Consolidated Plan to identify geographic areas with gaps in affordable housing stock.
- Set aside Section 8 vouchers for project based subsidies dedicated to homeless people, sponsor statewide initiative to educate, support and encourage Public Housing Authorities to encourage access by homeless persons to Section 8 Housing, and encourage maximization of Section 8 resources for project-based subsidies dedicated to homeless people.
- Create Housing Trust Fund that will provide funds for new construction, modification and rehabilitation.

### *Federal Action:*

- Pursue every possible HUD dollar and ask HUD for feedback on ratings of continuum of care.
- Revise federal formula allocation for entitlement programs to recognize the housing needs of newer, high-cost cities.

## **Leadership, Administration, Coordination, and Legislation**

### *State Action:*

- Reaffirm the duties/responsibilities and membership of the Council on Homeless Policy and establish an inter-agency housing policy coordinator.
- Develop Interagency MOUs and Data Sharing Agreements.
- Establish a State Officer or other appropriate vehicle to coordinate homeless issues and services across state agencies and to address diverse federal and state funding streams. In the interim, establish a formal inter-agency decision-making process.

### *Federal Action:*

- Identify barriers created by State and Federal policies.
- Work with Federal lobbyists to try and obtain resources from federal departments.
- Support federal legislation for housing production and preservation in the form of a National Housing Trust fund.

## **Collaboration/Infrastructure Development**

### *State Action:*

- Host Public Forums for State Plan to End Chronic Homeless.
- Ask each continuum of care to appoint a liaison to the task Force/Council/Committee and bring policy and service needs to them, in order to improve local access to services.
- Encourage local continuum of care to expand their membership to include more agencies and organizations, such as Head Start and Education for Homeless Children agencies and liaisons. Identify key individuals for Continuum of Care to contacts. (e.g.: work with the State Board of Education to link educational liaisons with local Continuum of Care networks.)

### *Federal Action:*

- Collaborate on interagency efforts for more efficient delivery of state and federal services.

## **Funding**

### *State Action:*

- Disseminate cost-benefit information to state and local decision-makers.
- Implement semi-annual meeting of state agencies to coordinate resources to fund programs for people who are homeless.

### *Federal Action:*

- Expand use of Center for Mental Health Services resources to target persons who are homeless.
- Increase access to and utilization of Section 8 Housing Choice Vouchers by homeless people by requiring Section 8 administering agencies to regularly meet with the homeless shelters.

## **Data Systems**

### *State Action:*

- Develop Communication Plan (Dept of Corrections, Dept. of Labor, Foster Care, Voc. Rehab., Rehab Services, HIV/AIDS.TB, Mental Health Providers, Sub. Abuse Providers, Local Health Departments, Federally Qualified Health Centers, Target all mental health and substance abuse block grant funded programs, etc.)
- Develop inter-agency agreements with mainstream state agencies to share HMIS data.
- Using existing data to examine how many people leaving state correctional and residential systems become homeless, how soon they become homeless, and for how long.

### *Federal Action:*

- Request additional technical assistance from HUD and HHS regarding data, confidentiality, and best practices.

## **Public Relations, Marketing & Public Education**

### *State Action:*

- Create an education package/strategy for Governor's and legislative candidates on what is needed to improve the weak parts of the system, maintain the good parts, and bring together all aspects to achieve our team vision.
- Educate legislative and executive leaders at state level through hearings, annual reports, handouts, media coverage, etc. Serve as a reliable information source on proposed changes to homeless prevention and service programs during current budget reduction process, in part by developing and circulating information sheets.

### *Federal Action:*

- Dispel myths and public misconceptions: Develop a comprehensive information/awareness campaign and ask HUD and HHS to partner with states to develop nationwide campaign describing homelessness, its causes, what can be done to alleviate it, and how one can influence policy. Involve various forms of media to convey the information to the public and politicians.

*Feedback*

- What State or Federal actions would enhance the success of your Ten-Year Plan?
- How do you envision the State being involved to optimize your Plan's potential?
- Are there regional or state-wide efforts to obtain State involvement that you would like to see occur?

*For further information, please contact Staff Attorney Gina Allendorf at HomeBase at 415.788.7961 ext. 307 or [gina@homebaseccc.org](mailto:gina@homebaseccc.org).*

## MEMORANDUM

TO: Bay Area Regional Steering Committee on Homelessness and Housing

FROM: HomeBase

RE: Summary of California's Programs Addressing Homelessness with a View  
Toward a State 10-Year Plan to End Homelessness

DATE: September 17, 2004

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### Context

The state of California funds approximately 75 programs that provide services to the homeless or those at risk of becoming homeless. California spends over \$20 billion each year on social service programs where frontline staff come in direct contact with homeless and at-risk individuals, but state agencies – while perhaps somewhat more aware of the urgency of the problem of homelessness generally – do not have an explicit mandate stating that preventing homelessness is one of the agency's missions. Nor is there a centralized state office dedicated to addressing the needs of the homeless, despite many attempts to create a single statewide entity to coordinate homeless programs and establish statewide policies around homelessness and housing issues.

Since the 1980s, numerous studies have been published and myriad legislative bills have been drafted by statewide governmental bodies, nonprofit agencies, and private foundations all aimed at preventing and addressing homelessness and housing in the state of California. The general conclusion that can be drawn from this body of work is not novel: that housing must be linked to strong supportive services and that the many services that must act as supports for the homeless and at-risk populations must be integrated, user-friendly, and easily accessible for those who need to utilize them.

This memorandum briefly summarizes the text of the attached chart (please also see the "sources" note at the end of the chart for further information), which provides an overview of the past 20 years of legislation and reports issued by the state as well as bodies hoping to influence state action, such as nonprofit agencies and private foundations and organizations.

### The Successes: What's Happened so Far?

There are reasons to celebrate. The hard work of the RSC, homeless service providers, and homelessness and housing advocates has paid off through the creation of such programs as:

1. ***Emergency Housing Assistance Program ("EHAP")*** – providing funding for operational and (beginning in 2002 with the passage of Proposition 46) capital development of emergency shelters (SB 1593 – 2000, SB 1227 – 2002)
2. ***AB 2034*** – providing housing and supportive services to the homeless mentally ill (AB 2034 – 2000; now Prop. 46 monies tied to AB 2034 via the recently passed AB 1475 -- 2004)
3. ***Supportive Housing Initiative Act ("SHIA")*** – providing housing and supportive services to homeless and disabled individuals (AB 2780 – 1998)

4. ***California Housing Trust Fund*** – the first in the nation to create such a trust fund (SB 478 – 1985-86; reinvigorated with the passage of Prop. 46/SB 1227 – 2002)

But there remain gaps where repeated requests for various program improvements, state guidance and leadership, and the development of specialized programs targeting specific populations have not occurred. Thus, we next address our challenges.

The Challenges: What Have We Asked for but Haven't Received – and Do We Still Need or Want it?

Through the years, the RSC, homeless service providers, and homelessness and housing advocates have requested many state actions, some of which have come to fruition while others have not. Examples of requests that have been repeatedly made over the years, with varying levels of success, include:

1. ***Create more units of affordable housing.***

The number of units changes depending on the year and the entity advocating the increase, but this request has been made nearly every year – more units and a permanent – and perhaps more importantly – and *reliable* funding stream for these units. The Davis Commission Report in 2002 was perhaps most ambitious in calling for 11,250 new units of supportive housing by 2010. California's Consolidated Plan (annually submitted to HUD) sets forth as one of its goals the development of at least 50 new units of supportive housing each year for the homeless. In one way or another, more housing and more funding for housing is a repeated call.

2. ***More money for shelter operations and development.***

It has been difficult to establish emergency shelters in the state of California. Contending not only with NIMBY-ism and a shortage of land and existing buildings appropriate for shelter use, California has not always ensured a steady flow of funding for shelters. Money seems to come erratically from the state, ranging from a low of \$2.7 million (in 1983-84) to a high of \$100 million (in 2001-02). State budgetary pressures see these figures change from year to year, creating numerous stresses on homeless service providers and sometimes negatively impacting both quality and quantity of care. While shelters struggle to continue operating, there is also some question as to their future. With the growing consensus that “housing first” is the preferred model of treatment, will emergency shelters be phased out altogether?

3. ***Greater integration & collaboration among state agencies and between the state and local governments.***

Repeated calls for greater cooperation among state agencies and increased integration of services (both among state agencies as well as between state and local governmental entities) have been made over the years. In 2002, the Davis Commission in particular called for statewide collaborative planning among agencies and departments as well as the development of streamlined funding, data management, and grant evaluation tools. Various state-level working groups have met over the years, involving representatives from as few as three agencies (HCD, DHS, CSD met quarterly in 2001-02) to as many as 14 (including CSD, Health & Welfare, Employment, Education, Social Services, Aging, Veterans' Affairs, as well as representatives of the California Legislature, federal, county, and city governments, nonprofits, and private industry in 1999-00). While greater collaboration is generally touted as a means of better serving homeless and at-risk individuals, in addition to streamlining (and thereby making more cost-

effective) services, the question today is: Who should be collaborating with whom? How many players should be involved?

4. ***Expand prevention and intervention work: discharge planning and addressing the needs of special needs populations.***

The RSC and homelessness and housing advocates have struggled for years to convince not just the state, but the also the public, that homeless people are not worthless people. The call for preventative measures as well as services and treatment for those who have fallen into homelessness has been a call to believe that homeless individuals can be rehabilitated and that money spent on housing and services is money well spent. Again and again, advocates have asked for the state's assistance in discharge planning. While a considerable body of legislation has passed requiring various state agencies and departments to develop discharge protocols (where individuals are discharged from state hospitals, mental institutions, VA facilities, the foster care system, prisons and jails, and the Youth Authority), it is unclear just how much protocol development has taken place. Further, there is no standardization across discharging institutions such that each individual leaving the state's care will receive the same treatment. Some special needs populations have had successful programs designed to meet their requirements (such as AB 2034 and the mentally ill), whereas other groups have not been so fortunate (homeless veterans and homeless youth in particular). What role does the state play in discharge planning? Is the state's role unique and therefore cannot be played by other government entities in the community? Do the discharge planning and aftercare needs of special needs populations require distinct plans for each group or is there a benefit to standardization?

The outstanding question is:

*Are these still the right requests to be making of the state?*

The Next Step: What Should We Do? What Should the State be doing?

HomeBase wants to know what you think the state should be doing to address homelessness. Are these 5 ideas a good start?

1. ***Make homelessness prevention, reduction, and assistance a statewide priority.***
2. ***Create a statewide body to develop and implement discharge planning and aftercare for those released from state institutions.***
3. ***Create – and fund – more programs like AB 2034 to serve the “hard to serve” homeless – those with mental health and substance/alcohol abuse issues.***
4. ***Ensure a permanent, reliable source of funding for affordable housing with supportive services.***

5. ***Create and maintain homeless prevention programs (rental and mortgage assistance, job re-training and educational opportunities) to keep at-risk individuals from ever becoming homeless.***



What is the state's role in ending homelessness? Is it large or small? Do the state's strengths/weaknesses suggest a role in certain areas but not in others? What gaps can the state – and only the state – truly address?



What do you think the state's top 3 priorities should be in ending homelessness?



Would you be interested in convening an RSC working group to help craft a statewide 10-year plan to end homelessness?

*For further information, please feel free to contact Lise K. Ström, Staff Attorney, via email at [lise@homebaseccc.org](mailto:lise@homebaseccc.org) or by phone at 415-788-7961, ext. 306.*

## LANDMARK CALIFORNIA LEGISLATION & STATE GOVERNMENT REPORTS ADDRESSING HOMELESSNESS

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
<b>Housing (transitional housing and permanent supportive housing)</b>			
	Create 11,250 new units of supportive housing by 2010	Davis Cmn. Report, Davis Progress Report Prop. 46 One Year Later Rpt., SB 1227 (Prop. 46)	NOFA was released in January 2003; funds awarded July 2003 (\$88 million for MHP; \$13 million for supportive housing; \$24.5 million for EHAP-CD, among other housing programs for first-year round of funding)
	Establish a military base conversion committee to encourage/require cities and counties to include homeless service providers in land-use allocations	Davis Cmn. Report, Davis Progress Report	Committee was not created, reasons not identified
	Fund housing programs, specifically: MHP - \$500 million; SHP - \$100 million; affordable housing preservation - \$150 million (FY 01-02)	Burton Cmn. Report	
	Support acquisition, construction, rehabilitation of 50 units of housing for homeless and other special	ConPlan 02/03, ConPlan 03/04, ConPlan 04/05	

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	needs groups (through CDBG)		
	Increase the number of transitional and permanent housing units by adding at least 10 units available to persons living with HIV/AIDS; increase the number of PLWA moving from TH to PH (no specific number given) (through HOPWA)	ConPlan 02/03, ConPlan 03/04	
	Assembly introduced, and California legislature passed, legislation that increased tenant protections of residents living in SROs	AB 3926 (1989-90); also SB 2088 (1993-94)	
	Assembly introduced, but California legislature did not pass, legislation to create state farm worker housing tax credit program	AB 2120 (1989-90)	
	SHIA (Supportive Housing Initiative Act) passes the California legislature, providing housing and supportive services to homeless and disabled individuals	AB 2780 (1998)	
<b>Homeless shelters &amp; armories</b>			
	Fund emergency housing	Burton Cmn. Report	SB 1593 created EHAP (2000)

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	program - \$100 million (FY 01-02)		
	Expand anti-NIMBY laws to protect shelters, transitional housing, and homeless service providers	Burton Cmn. Report	
	Require local governments to include housing element in General Plan specifying zones/locations where shelters can be sited	Burton Cmn. Report	
	Allocate \$5.7 million in ESG funding (FY 02-03) to grantees with “highest likelihood of achieving state ESG goals”	ConPlan 02/03	
	Distribute ESG funds to at least 45 local governments and/or nonprofit agencies that operate shelters and transitional housing programs to “provide safe, sanitary shelter and services to homeless persons”	ConPlan 03/04	
	Opening of state’s National Guard armories as temporary (wintertime) shelters for homeless; armories currently house approximately 2,000 homeless men, women, and children each year; LAO Report notes that local	Executive Order (1987) originated program, extended/amended by California Assembly and Senate legislation via AB 1808 (93-94), AB 1691 (93-94), AB 758 (95-96), AB 553 (95-96), AB 67 (97-98), SB 255 (97-	

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	governments, not state government, is primarily responsible for emergency shelter of the homeless because: <ol style="list-style-type: none"> <li>1. state lacks expertise in providing direct services to homeless</li> <li>2. state lacks in-depth information on needs of individual communities</li> <li>3. state does not have authority or knowledge to choose appropriate shelter locations</li> </ol>	98), AB 242 (97-98), AB 612 (99-00), AB 1954 (99-00), SB 1551 (01-02), SB 716 (03-04); LAO Report: Alternatives to Armories (1997)	
	\$2.7 million provided by California legislature for new state program of emergency shelters for homeless	AB 1363 and AB 2579 (1983-84)	Passed
	\$5 million provided by California legislature for rehabilitation of residential hotels to be used by homeless	SB 26 (1983-84)	Passed
	California legislature passed requirement that housing elements identify sites for homeless shelters	AB 1996 (1985-86)	Passed
<b>Creation of State task force/office of homeless affairs</b>			

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	Call for ongoing “Council on Homelessness” and Council “Subcommittee on Housing” as well as an “Advisory Panel on Homelessness” and “State Office of Homelessness” (within the Governor’s Office of Planning and Research)	Davis Cmn. Report, Davis Progress Report SB 1654 (vetoed)	State Office of Homelessness (SB 1654) vetoed; Interagency Task Force on Homelessness continued instead, added Depts. of Aging and Office and Criminal Justice Planning and State Superintendent of Public Instruction
	Establish a state housing and homelessness council to make more efficient use of existing state resources and improve coordination and management of state programs	Burton Cmn. Report	
	Expand the “Supportive Housing Initiative Council” to make it the state Housing and Homelessness Council	Burton Cmn. Report	Supportive Housing Program Council created by statute (AB 1593) in 2000
	Engage in federal advocacy on behalf of the state’s homeless	Davis Cmn. Report	
	Call for ongoing “periodic” meetings of the “California Supportive Housing Program Council on the Homeless” (includes representatives from Health & Welfare, Depts. Of Economic Opportunity, MH, HCD, Employment, Education, Social Services, Aging, VA)	5-Year ConPlan 00/05	

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	California legislature creates Housing Trust Fund with \$20 million/year promised for the creation of housing	SB 478 (1985-86)	Passed
<b>Integration collaborative efforts among state agencies and among national, state, and local entities</b>			
	“Advisory Panel on Homelessness” focus on cooperation and integration among state and local agencies	Davis Cmn. Report; Davis Progress Report	With the veto of the State Office of Homelessness, the IATF called for its own advisory panel to promote integration and coordination of federal, state, local governments, RDAs, nonprofits, community groups. Advisory panel was to be up and running by 6/03. IATF members were made responsible for dissemination of task force information to county and local government constituencies
	Direct all state agencies to assess whether any of the populations they regularly interact with are, or are at risk of becoming, homeless and	Davis Cmn. Report Davis Progress Report	Because no Council on Homelessness was created, this plan did not move forward

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	require the development of prevention strategies, designate a single point of contact for homelessness issues w/in each agency		
	Expand state support of collaborative planning activities for the development of integrated housing assistance and service delivery and maximization of available resources; including HCD, Alcohol & Drug, MH, Social Services, & Corrections	Davis Cmn. Report	
	Streamline funding, data management, and grant evaluation processes for both state agencies and nonprofits	Davis Cmn. Report	
	“California Working Group on the Homeless,” coordinated by the Dept. of Community Services & Development), quarterly meetings and included representatives from myriad state agencies, including Health & Welfare, Community Services & Development, Employment, Education, Social Services, Aging, VA, Senate &	ConPlan 99/00	Unclear whether this group still exists/meets

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	Assembly committee members, county & city governments, nonprofit agencies, private industry, federal government representatives (from HUD, HHS, VA)		
	State noted collaboration and quarterly meetings among HCD, DHS, and CSD in an effort to promote program commonalities, maximize resources, share 'best practices', and promote local government collaboration, among other goals	ConPlan 01/02	Unclear whether such collaboration is ongoing or its successes
	Collaborate with other agencies, such as Corrections, Mental Health, Social Services, Drug & Alcohol to pursue funding opportunities & coordinate resources (through HOPWA)	ConPlan 02/03, ConPlan 03/04	
	Establish a working group to develop funding strategies for further, future capital development of permanent and transitional housing for PLWAs (through HOPWA)	ConPlan 02/03, ConPlan 03/04	
	California Assembly and Senate jointly request the	AJR 39 (1999-00)	

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	federal government to establish a “National Commission on Homelessness” and request the federal government to develop and implement a comprehensive plan to end homelessness		
<b>Prevention &amp; Intervention (discharge planning, outreach, case management)</b>			
	Research risk factors and develop prevention & intervention assessment tools to be used by state agencies that do not directly work with homeless (e.g., CalWORKs, public health clinics)	Davis Cmn. Report Davis Progress Report	Working group was to be developed in January 2003, with the parameters of the assessment tool drafted by April 2003; budgetary constraints precluded implementation of an assessment tool for use by CalWORKs.
	Develop state hospital discharge protocols; develop discharge planning models to be used by counties	Davis Cmn. Report Davis Progress Report	DMH reviewed discharged patients from state hospitals (for FYs 00-01, 01-02) and found only 5% of discharges were listed as “transient” or “unknown”; further review was called for to ensure no discharges to homelessness; work plan developed for

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
			development of standardized discharge models
	Develop & improve communication & agreements between state agencies and Dept. of Corrections; develop discharge protocols for released offenders	Davis Cmn. Report Davis Progress Report	Dept. of Corrections working with DMV so that prisoners could get a driver's license prior to release; discussions with Social Security were initiated to start benefits applications prior to release
	Improve discharge planning for those released from the MH system, public health system, welfare system, veteran system, criminal justice system, and child protective/foster youth care system by assigning HHS and Dept. of Corrections leadership roles and involving other departments (MH, HS, SS, etc.) to develop effective discharge planning models	Burton Cmn. Report	
	Provide aftercare for discharged individuals to prevent them from falling into homelessness; require all health/MH facilities to provide aftercare plans for discharges	Burton Cmn. Report	
	Establish a challenge grant at the state level to motivate the county jails and youth facilities	Burton Cmn. Report	

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	to create discharge planning		
	Add additional units of transitional and/or permanent supportive housing for discharges	Burton Cmn. Report	
	California has regularly sought (and obtained) a waiver from HUD of the ESG monetary limit concerning “essential services” (30% regulatory limit on total ESG grant award that can be spent on “essential services” for homeless persons). Currently the state has a 40% limit on the amount of its ESG funding that goes to “essential services.” “Essential services” include PH assistance, medical/psychological care, employment counseling, job training, job placement, substance abuse/alcoholism counseling, access to mainstream benefits assistance, staff salaries to provide same.	ConPlan 99/00, ConPlan 01/02, ConPlan 02/03, ConPlan 03/04, ConPlan 04/05, 5-Year ConPlan 00/05	
	State identified need for coordinated discharge planning (noting especially the post-incarcerated HIV+/AIDS	ConPlan 01/02, [ConPlan 02/03, ConPlan 03/04 discharge planning specific to PLWAs]	

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	population in greatest need of discharge planning), rental/mortgage assistance, and income maintenance programs as key preventative measures		
	Provide case management and supportive services to 50 persons who are homeless or have special needs (through CDBG)	ConPlan 02/03, ConPlan 03/04, ConPlan 04/05	
	Increase the number of PLWAs receiving case management and assistance by 5% from the previous year	ConPlan 02/03	
	Establish new ESG multi-year grant program for stand-alone homelessness prevention program (separate from emergency shelter program), ESG limit of \$40,000/year does not apply to prevention program	ConPlan 04/05	
	Increase percentage: of clients who exit programs and move into next higher level of housing; of clients who obtain/retain employment; of clients who access mainstream benefits; of clients who stabilize MH condition,	ConPlan 04/05	

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	drug/alcohol addiction for a minimum of 90 days (TH) or 30 days (emergency) (no specific numbers mentioned)		
<b>Homeless mentally ill</b>			
	Improved case management, particularly in the form of targeted case management, is needed for homeless mentally ill; expand access to TCM and allow providers to bill MediCAL for TCM	Burton Cmn. Report	
	AB 34/2034 program to assist MH persons with housing and supportive services	AB 2034 (2000)	Passed (and ongoing success)
	State called for “client-directed case management system” to support mentally ill and developmentally disabled homeless in their residences	ConPlan 01/02	
	Increase outreach and engagement strategies, especially around MH homeless, including cross-training of MH and law enforcement staff; develop housing for MH homeless with supportive services and employment services	ConPlan 04/05	

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	California legislature passes the Lanterman-Petris-Short Act, which replaced involuntary commitment for mentally ill patients with voluntary and community-based treatment	Cal. Welfare & Inst. Code §§ 5000-5120 (originally passed 1967).	
	Senate introduced, and California legislature passed, bill requiring state health/mental health facilities to develop discharge/aftercare plans for discharges	SB 1858 (1999-00)	Passed
	Assembly introduced, and California legislature passed, a bill tying Prop. 46 monies for supportive housing to help the mentally ill	AB 1475 (2003-04)	Passed
<b>Homeless veterans</b>			
	Establish Veterans Homes Division Homelessness Task Force w/in VA	Davis Cmn. Report Davis Progress Report	No budgetary resources, therefore was not pursued
	Create Veterans Parole Transitional Support Program	Davis Cmn. Report Davis Progress Report	No budgetary resources, therefore was not pursued
	Create Veterans Parolees Benefits Awareness Program	Davis Cmn. Report Davis Progress Report	IATF requested funding from other state agencies to create 3 new informational brochures
	Increase funding for	Davis Cmn. Report	Program was allocated \$6.85

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	employment and job training programs for veterans	Davis Progress Report	million in 2003 and funded 30 veteran organizations
	Require data collection on veteran status for all state funding programs and report figures to state office of housing and homelessness; ensure that veterans are added as one of the types of persons to be served by state grants serving homeless	Burton Cmn. Report	
	Provide grants to nonprofits so that they are able to assist veterans access mainstream benefits	Burton Cmn. Report	
	Assembly introduces, but California legislature does not pass, legislation to create new state program for homeless veterans	AB 1262 (1985-86)	Failed to pass
	Assembly introduces bill to establish Governor's Commission on Homeless Veterans	AB 747 (2001-02)	Failed to pass
	Assembly introduces bill to direct the Department of State VA to study the needs of homeless veterans	AB 748 (2001-02)	Failed to pass
	Assembly introduced bill requiring Dept. of State VA	AB 1060 (2001-02)	Passed (2001)

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	and Dept. of Health to study status of homeless vets and to propose way to provide adequate housing for them		
<b>Homeless with substance abuse/alcoholism</b>			
	Direct state Dept. of Alcohol & Drug Programs to work w/counties to (1) identify barriers & issues affecting AOD homeless; (2) develop & implement best practices	Davis Cmn. Report Davis Progress Report	Due to budgetary constraints, IATF agreed to meet with major stakeholders to discuss the most cost-effective means of collecting this information
	Incorporate homeless service delivery models into existing Dept. of Alcohol & Drug Programs grants, training sessions	Davis Cmn. Report Davis Progress Report	TA grants modified to include information regarding homelessness; adjustments made to written materials and 14 additional publications added to the Resource Center Clearinghouse catalog regarding homelessness & AOD
	Increase funding for county drug & alcohol treatment programs or provide targeted funding for AOD treatment programs for the homeless	Burton Cmn. Report	
	Increase permanent local treatment slots by 5,000 with priority for programs explicitly	Burton Cmn. Report	

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	serving homeless		
<b>Homeless youth &amp; families</b>			
	Use schools as a means of reaching homeless and at-risk families through collaboration between Council on Homelessness and Dept. of Education	Davis Cmn. Report	
	Enhance county participation in Supportive Transitional Emancipation Program	Davis Cmn. Report Davis Progress Report	Inadequate funding
	Expand/increase the number of foster youth pilot programs offered through the Employment Development Dept.	Davis Cmn. Report Davis Progress Report	IATF was in the selection process of specific projects and securing funding; it was expected that said projects would be up and running by "early 2003"
	Encourage counties to use federal funds to make certain that foster youth/emancipated youth have a home	Burton Cmn. Report	
	Senate introduced, but California legislature did not pass, legislation that would have provided \$100 million for homeless families	SB 752 (1987-88)	Failed to pass
	Senate introduced, but California legislature failed to	SB 1505 (1987-88)	Failed to pass

	<u>Action called for by state (commission or legislature)</u>	<u>Source document</u>	<u>Status of recommended action (where known)</u>
	pass, legislation that would have enacted the Homeless Children's Act with \$25 million		
	Assembly introduced, and California legislature passed, legislation requiring UC and CSU systems to conduct outreach to emancipated/ing foster youth	AB 2463 (1993-94)	Passed
	Assembly introduced, and California legislature passed, Runaway Youth & Families in Crisis Project, a 3-year pilot program offering grants to organizations helping homeless youth	AB 2495 (1997-98)	Passed
	Senate introduced, but bill was vetoed, bill to require Office of Criminal Justice to conduct an evaluation of programs serving homeless and runaway youth; report was to have had recommendations & implementation plans	SB 1739 (1999-00)	Vetoed

Sources:

Recommendations of the Interagency Task Force on Homelessness (July 2002) available at <http://www.hcd.ca.gov/hpd/iatf.html> (“Davis Cmn. Report”).

Governor’s Interagency Task Force on Homelessness Progress Report and Work Plan for 2003 (Dec. 2002) available at <http://www.hcd.ca.gov/hpd/iatf.html> (“Davis Progress Report”).

Proposition 46 and HCD: One Year Later, State of California Department of Housing and Community Development (September 2003) available at [www.hcd.ca.gov](http://www.hcd.ca.gov) (“Prop. 46 One Year Later Rpt.”).

A Home for Every Californian: The Recommendations of the California Senate Bipartisan Task Force on Homelessness (March 2001) available at [http://www.sen.ca.gov/sor/reports/reports\\_by\\_subj/economy\\_employment/homeless.htm](http://www.sen.ca.gov/sor/reports/reports_by_subj/economy_employment/homeless.htm) (“Burton Cmn. Report”).

State of California FY 1999-2000 Annual Plan and Amendments of the 1995-2000 Consolidated Plan, State of California Department of Housing and Community Development (May 1999) available upon request from the HCD (“ConPlan 99/00”).

State of California FY 2001-2002 Annual Plan of the 2000-2005 State Consolidated Plan, State of California Department of Housing and Community Development (May 2001) available upon request from the HCD (“ConPlan 01/02”).

State of California FY 2002-2003 Annual Action Plan of State Five-Year Consolidated Plan 2000-2005, State of California Department of Housing and Community Development (May 2002) available upon request from the HCD (“ConPlan 02/03”).

State of California FY 2003-2004 Annual Action Plan of State Five-Year Consolidated Plan 2000-2005, State of California Department of Housing and Community Development (June 2003) available upon request from the HCD (“ConPlan 03/04”).

State of California FY 2004-05 Annual Action Plan of State Five-Year Consolidated Plan 2000-2005, State of California Department of Housing and Community Development (May 2004) available at <http://www.hcd.ca.gov/hpd/hrc/rep/fed> (“ConPlan 04/05”).

State of California FY 2000-2005 State Consolidated Plan, State of California Department of Housing and Community Development (May 2000) available at <http://www.hcd.ca.gov/hpd/hrc/rep/fed> (“5-Year ConPlan 00/05”).

Note that all of California’s Consolidated Plans say, as one of its three primary objectives, that the state of California will “[m]eet the housing and supportive housing and accessibility needs of the homeless and other special needs groups, including prevention of homelessness.”

California Legislative Analysis Office, *Sheltering the Homeless: Alternatives to the Armories* (1997) available at [www.lao.ca.gov](http://www.lao.ca.gov) (“LAO Report: Alternatives to Armories”).

Legislative bills for sessions 1983-1990 were taken from the California Housing Law Project summary available at <http://www.housingadvocates.org/>. Bills for sessions 1990-2004 were taken from the California Legislature’s website, using its search engine available at <http://www.legislature.ca.gov/>.

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## MEMORANDUM

TO: Regional Steering Committee on Homelessness and Housing

FROM: HomeBase

RE: Improving Prisoner Access to Medi-Cal through Discharge Planning

DATE: September 17, 2004

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### Background

As of June, there were 112,685 people on parole in the state of California. This was a 3% decrease from the month before. Projections for the next several years show a peak of 117,069 in the spring of 2005 followed by a drop to 107,087 people by 2009. Meanwhile the total number of individuals coming off of probation annually remains around 165,000. Perhaps most frightening is the fact that 60.48% of those individuals paroled will be back in prison within 3 years. This matches the national average, which makes mathematical sense when one considers that California releases one-sixth of the annual number of ex-offenders discharged nationally.

When this large population finds itself back in the world, they discover many barriers to their reintegration into society. While some of these restrictions are meant to protect the public, some seem to merely prolong the punishment for someone who has served his debt to society. Meanwhile these restrictions act as roadblocks to a life off the streets and out of crime.

For example, as reported in an RSC meeting in January 2004, the federal welfare reform package passed by Congress in 1996 (TANF) contained a lifetime ban on the receipt of welfare and food stamp benefits for anyone convicted of a felony drug offense. States can choose to opt out of this provision, but 17 states, including California, enforce the ban in full. Anyone in California convicted of a drug-related felony after 1996 does not have the right to seek TANF or food stamps. Ex-offenders are released into the world with very little money, and no job. Without the help of public assistance, they often must resort once again to crime, or risk becoming homeless.

#### A. ROADBLOCKS TO REENTRY

##### 1. Legal and Societal Barriers to Finding Employment

A major problem in reintroducing ex-offenders into mainstream society is their inability to find a job. Studies have shown that lack of work is linked to increased chances of committing another crime. The difficulty in finding employment stems from two sources: legal statutes that limit access to certain occupations, and, more importantly, employer attitudes that are often biased against hiring applicants with a criminal record.

In California, a significant bar on employment is the prohibition to work in home health care. This applies to anyone convicted of a violent, sexual, drug-related, or theft-related crime. Due to the size of the health care industry and the availability of living wage jobs, this is an important restriction.

Unlike many other states, California law forbids employers from asking applicants about arrests that did not lead to convictions. However, employers may consider these types of arrests in the hiring process if they learn of them. Criminal records are not posted online as they are in other states, so the national practice of conducting background checks is more difficult here. When a check is performed, most convictions more than 10 years old are not disseminated. Additionally, arrest records and some conviction records can be sealed or expunged following a certain amount of time. As a result, applicants in most circumstances can claim to never have been arrested or convicted.

Thus for Californian ex-offenders, the greater difficulty in the job hunt may be convincing employers to see beyond a criminal record. Employers are more reluctant to hire former prisoners than any other group of workers. Having a criminal record translates into a 40% lower chance of being hired over a similar applicant. A common reason cited for this tendency is a fear of “negligent hiring” lawsuits. If their employee commits a crime, the employer could be liable. However, according to the U.S. Department of Labor, in most cases the employer does not in fact face any liability.

Another reason for facing difficulty in the job market is that the industries traditionally willing to hire former prisoners have been on the decline in the national economy. Blue collar and manufacturing jobs have been victims of the move towards a service-based economy. Thus there are fewer options for the growing population of parolees.

## 2. Inadequate Housing Options

There is not yet an extensive set of data on how many released prisoners become homeless, but a look at some studies is evidence enough that it is a serious problem. A survey conducted in 1997 by the California Department of Corrections found that 10% of the state’s parolees are homeless, with spikes as high as 50% in major urban areas such as San Francisco and Los Angeles. Estimates from the National Survey of Homeless Assistance Providers and Clients show that 49% of homeless individuals have spent at least 5 days in a city or county jail, while 18% have been to a state or federal prison.

Released prisoners who are not able to stay with a friend or family member face an immediate problem in finding a place to live. They rarely have the financial resources or the personal references to compete for an apartment in the housing market. Meanwhile, the Public Housing program has a policy in place that individuals evicted from a property for a drug offense are barred from all public housing for a minimum of 3 years. Acquiring public housing in the first place can be difficult because PHAs are permitted to consider the criminal records of their applicants. In California, records are considered on

an individual basis, and arrests that did not lead to a conviction do not enter into the application process.

### 3. Poor Healthcare Within and Outside of the Correctional Facility

Another significant barrier to reentry is the ex-offender's health. In 1997, nearly one quarter of the nation's HIV/AIDS population, nearly one third of the hepatitis C population, and more than one third of the tuberculosis population were released from jail or prison. Rates of substance abuse problems and mental illness are also higher among prisoners and parolees than in the general U.S. population. Dealing with such physical problems can make the transition back to mainstream society all the more daunting.

Prison is unique in that it is the one place where the right to adequate medical care is constitutionally protected. Unfortunately, the opportunity to address these public health issues is often wasted. Only 10% of the nation's prisoners reported receiving formal substance abuse treatment in 1997. Meanwhile, parole agencies are ill equipped to identify and handle the mental health issues of their released prisoners. The result is that prison does not provide the type of help needed to combat these health issues, only contributing to reentry problems upon the offender's release.

### 4. Lack of Proper Education

The average reading ability of a California inmate is at the seventh grade level. Discharged individuals often enter the labor market with limited work history and lacking occupational skills. Fewer inmates have access to in-prison vocational training or educational programs today than in the past. In addition, the federal government often restricts their ability to seek higher education. The 1998 Higher Education Act prohibits those convicted of a drug-related offense from receiving Pell grants. Without access to financial aid, attaining a higher level of education in many cases becomes impossible.

## B. DISCHARGE PLANNING AS A MEANS TO FACILITATE SUCCESSFUL REENTRY

Many of the thousands of discharged inmates are released to no home, with no savings, and no friends or family. Immediately after leaving jail or prison, they are at risk of falling into circumstances that will lead them back to a life of crime, or to a life on the streets. By establishing a system that creates a plan for inmates' reintroduction into society, society can prevent making freedom just the time in between prison terms or stays at emergency shelters.

Proper transitional planning may curtail many of the barriers a parolee faces upon release. Ideally, transitional services should begin as soon as an inmate is incarcerated. An assessment conducted upon admittance should determine what types of services will be needed in prison, and will allow social workers to begin finding links in the outside community so that the inmate can continue his or her treatment following release. One

tactic used to ensure a seamless transition between in-prison services and services after release is to contract with community-based organizations to work inside the prison. In this way, ex-offenders can continue with the same program and people during their parole, encouraging the formation of stable, long-term relationships.

An important aspect of discharge planning is ensuring that released inmates have immediate access to assistance programs. Inmates can receive help with their application for Medi-CAL, Social Security, and Section 8 housing so that forms can be sent directly following release. By helping a soon to be ex-offender sign up for these programs, society can prevent people from going too long without the benefits that can keep them on their feet.

### C. MEDI-CAL ACCESS AND DISCHARGE PLANNING BEST PRACTICES

A best practice highlighted in the Centers for Medicaid and Medicare Services and Health and Human Services report<sup>1</sup> is to assist people leaving psychiatric facilities and correctional facilities to obtain Medicaid quickly. For many individuals in contact with the criminal justice system and/or institutions for mental disease, Medicaid maintenance is extremely difficult. This is particularly true for those whose Medicaid eligibility is conferred by their SSI or SSDI enrollment. Federal Medicaid law requires that people institutionalized may not receive cash benefits while residing there. Unfortunately, many State Medicaid agencies immediately *terminate* a member's eligibility upon notification of their admittance to an institution. Federal law does not require that an inmate's eligibility be terminated, only that they do not receive cash benefits while institutionalized. The more appropriate action to take when a person is admitted to a correctional facility or institution for mental disease is to *suspend* Medicaid enrollment as long as their eligibility remains. That way, they are not released from the institution without a Medicaid ID card and benefits and they need not re-gather all of the information necessary for initial application.

State policy should explicitly ensure that all prisoners who have remained eligible are released with a Medicaid card in hand. Law enforcement agencies and jails should develop collaborations with local mental health authorities so people are not arrested and jailed when their needs would be better met by medical care. Pre-booking an/or post-booking programs, and specialized crisis-response teams are practical solutions to dangerous mentally ill individuals.

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<sup>1</sup> *Improving Medicaid Access for People Experiencing Chronic homelessness: State Examples* CMS, Medstat, DHHS. 3/29/04

## D. STATE BEST PRACTICES

### 1. Massachusetts

Massachusetts Department of Health has developed a common set of discharge protocols for at-risk individuals leaving institutions. Massachusetts has created several Behavioral Health Networks that tie local community mental health centers with county correctional centers. Released inmates may contact the Network for additional prescriptions if necessary. A Discharge planner from the agency initiates a Medicaid application 30 days prior to the inmates release date, and makes appointments with a community provider during the first few weeks following discharge. The inmate is given a 30-day prescription of their medication upon discharge and a four-day supply. Nine States, including California, have made it law that inmates be supplied with enough medication to last until their next doctor's visit. In order to avoid termination of a homeless person's Medicaid enrollment, the Medicaid application itself has a check-off box for homeless status, which indicates to the Medicaid agency that the enrollment must not be terminated due to returned mail (for lack of address).

### 2. Minnesota

In Minnesota, where a State funded health insurance program has replaced Medicaid, inmates pending discharge continue their Medicaid coverage when an eligibility worker changes a code in the information system.

### 3. Texas

In 1994, the Texas State legislature established the Texas Council on Offenders with Mental Impairments (TCOMI) in order to identify and treat mentally ill people in contact with the justice system and assists them with transition into the community. Eligibility Benefit Specialists gather information on the inmate, (with the individual's permission), from the facility and submit applications for programs such as SSI and Medicaid 90 days before his/her release date. If an inmate is in jail for less than 30 days their Medicaid eligibility is suspended, not terminated.

### 4. Washington

Washington also does not terminate an inmate's Medicaid eligibility if he/she resides there for less than 30 days. Jail staff notifies the Department of Social and Health Services 45 days before release. An eligibility worker collects medical and financial documents and helps the person obtain substance abuse treatment, or other appropriate medical assistance. The face-to face interview usually required for Medicaid applicants is waived for jail inmates with mental illness or addiction disorders. Also, a New Seattle Municipal Justice Center was recently designed with a new space for inmates to obtain information on social services and application procedures as they are released from the facility. For Dangerously Mentally Ill Offenders, prison staff fax or mail the inmates financial and medical eligibility information to the State Medicaid or Social Security Administration for re-determination before his/her release date. State funds provide intensive supervision and medical services until Medicaid or Social Security is secured.

5. New York

In New York State, Rensselaer County, jail staff is trained to help inmates complete entitlement forms before release date. Inmates are given a picture ID to facilitate their re-entry card and if necessary, are accompanied to the local Social Security office to finish the application process.

6. Florida

In Jacksonville Florida, SSA staff comes to the jails to assist inmates pending release to complete appropriate eligibility forms.

7. Maryland

Maryland has developed a partnership called the Community Criminal Justice Treatment Program that links the criminal justice system with the mental health providers. The Department of Health and Mental Hygiene spawned the partnership with seed grants to the local Core Service Agency, with expectations of local and county funding contributions. Each Core Service Agency contracts with a non-profit organization to provide case management and community mental health services at the local level. The case managers are located at local jails in Baltimore City and the States' 23 counties assist in release planning for 5,300 people per year, connecting them to mental health services, and long-term housing supports funded by HUD's Shelter Plus Care program with local matching funds. Case managers assist with SSI and Medicaid applications. Maryland is special in that it's Medicaid agency maintains incarcerated participants on the enrollment list even if their residence exceeds 30 days—upon release, individuals can immediately obtain their healthcare benefits.

- What steps need to be taken to integrate a discharge policy in the State Department of Corrections?
- Who from the state level needs to be involved?
- What changes do we want to ask the State to make?
- What are your experiences in assisting ex-felons obtain a job, housing, proper education, health care?
- Do you have/can you generate local data on ex-felons receiving assistants from your CoC agencies?
- Do we need to generate local data to support request for state changes?
- Does the infrastructure within your CoC support successful reentry? If not, what does your CoC need in order to get there?

*For further information, please feel free to contact Gina Allendorf, Staff Attorney, via email at [gina@homebaseccc.org](mailto:gina@homebaseccc.org) or by phone at 415-788-7961, ext. 307.*



## Memorandum

TO: Regional Steering Committee on Homelessness and Housing  
FROM: HomeBase  
RE: A Summary of the Report from the 2002 Millennial Housing Commission  
DATE: September 17, 2004

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The Millennial Housing Commission was appointed by Congress to address the importance of housing in America, as well as possible improvements to the nation's housing policies. The commission also sought to increase the role of the private sector in the development of affordable housing.

The Commission's Report began with the idea that housing is the cornerstone of a strong family and a strong national economy. Studies have proven that a stable home has positive effects on family relations. Children's school performance and parent employment rates are both significantly higher for families who can establish a home. From a macroeconomic perspective, the housing market in the U.S. is a major driving force of consumption and wealth. One third of tangible assets in this country are in the form of houses. Mortgages and home equity loans provide the liquidity that allows increased consumption. And the construction industry provides a major source of employment.

The obvious challenge facing our society is to enable more Americans to enjoy these benefits. Currently, affordability is the largest hurdle preventing Americans from having a stable home. In 1999, housing costs claimed half the income of one in nine families, while on any given night hundreds of thousands were completely homeless.

The cause of this housing shortage is a simple case of supply and demand. The supply of affordably priced rental units does not match the demand for them. Existing affordable housing is disappearing at an "alarming rate." Lack of maintenance has left many properties in disrepair, while terminations of government contracts have allowed others to begin charging the higher market rates. Additionally, the boom of the 1990's led many developers to lean toward construction of expensive rental units. This slowed the creation of affordable housing for even middle-income levels, forcing this socio-economic group to occupy units that would have been affordable to lower income households, further exacerbating the crunch on this least privileged group. The gap between units affordable to Extremely Low Income families and the demand for them stood at 1.8 million households at the time of this report. But while the report goes into great length on the problems in supply of housing, the issue of homelessness is not directly addressed.

The other major challenge for America outlined in this report was to eliminate the difference in homeownership rates for whites and minorities. Even when age and income are taken into account, rates for minorities are still 12 percentage points below that of whites.

From analysis of the history of Federal housing programs, the commission developed four policy principles. The recommendations to congress were meant to address these.

1. Affordable housing cannot be isolated from its community. To strengthen communities, housing must offer access to decent education, employment opportunities, transportation, and safety.
2. Move decision-making on the location and management of affordable housing to the state and local level, but within a federally constructed framework.
3. Provide the private sector with incentives to contribute to the cause of affordable housing.
4. Make sustainability of the affordable housing stock as high a priority as preserving rents at an affordable level.

#### New Tools:

The first recommendation was creation of a tax credit for affordable homeownership. The idea was based on the Low Income Housing Tax Credit, but would be for homeownership rather than rental units. The credit could be allocated to developers in order to make up the difference between costs and a fair value sale. Alternatively, the credit could be given to lenders in return for reducing closing costs on mortgages, effectively lowering the cost of borrowing for lower income households. The credit would allow Housing Finance Agencies (HFAs) to increase the supply of affordable homes, but could also stimulate demand. The commission preferred this option to a direct subsidy because it gave authority to the states and relied on the private sector for allocation of resources.

The commission also made recommendations addressing the need to preserve the stock of existing affordable housing. Preservation, it points out, is less expensive than creation. All federally rehabilitated or constructed buildings should be underwritten to provide 30-50 years of affordable housing. In this way, society avoids the risk of losing property to the open market. The commission also recommended creation of a preservation tax incentive to encourage owners of affordable housing to sell the property to organizations (“preservation entities”) committed to maintaining it as such. The tax break would negate their negative tax basis in the property thus removing a barrier to sale. Without the tax relief, the commission fears that owners will continue to let their properties fall into disrepair and affordable housing stock will be lost.

Addressing the severe lack of housing for the extremely low-income group, the commission proposed a 100% subsidy for construction, rehabilitation, or acquisition of units to be earmarked for ELI households. This would create units for the income group that earns less than 30% of the Area Median Income (AMI) and is most in need of housing. Rents on these units would pay for operational costs. However, due to the extreme poverty of this group, additional subsidies would most likely yet be needed to fully cover the costs.

Another recommendation asked for the reduction of limits on states' ability to issue tax-exempt debt. The proceeds would be used only for properties that maintain 20% of the units as affordable for families with incomes below 80% of AMI. This will allow the use of private capital for the sake of multifamily, multi-income properties.

The commission addressed the goal of strategic community development through a plan that would use a pool of block grants to fund comprehensive community initiatives. The commission proposed allowing the state to reserve 15% of total block grant funds to support comprehensive development projects sponsored by local governments. Funding would go to plans that demonstrate an ability to address community problems ranging from education and housing to crime and transportation. The recommendation would further the goal of linking affordable housing with good schools and job opportunities.

### Major Reforms:

A significant number of the proposed reforms dealt with the Public Housing Programs. The commission recommended that all PHA inventory be switched to a project-based section 8 model. Subsidy funding would be linked to each property rather than to a PHA, facilitating the use of private markets to finance specific capital improvements. Another suggestion was to make greater use of the HOPE VI program to revitalize severely distressed properties, enabling the deceleration of affordable housing loss. Yet another reform was to allow debt financing of capital needs. This would give the PHAs access to needed funds and would not entail undue risk because the market rent of the properties would adequately support debt service. A final request was to simplify regulations and paperwork for PHAs, especially small rural ones, and to experiment with new rent setting formulas that would provide incentives for upward economic movement of the tenants.

Another major reform suggested by the commission was to restructure the Federal Housing Administration as a wholly owned government corporation within HUD. The commission claimed that the FHA is constrained under current circumstances. It is a profitable and sophisticated agency forced to operate under the sluggish regulations of a government bureaucracy. The new corporation would be freed to adapt and meet the demands of evolving markets without waiting for congress to legislate the needed changes. Independence would also permit more competitive recruiting of the talent necessary to run the agency. The new corporation would remain under HUD oversight, and little budget change would be necessary because the FHA would continue to make more money than it spends. Within FHA, the commission asked Congress to grant the agency greater flexibility in its operation of multifamily and single-family programs.

Perhaps most dramatically, the commission called for the end of chronic homelessness in 10 years. The commission recognized that chronically homeless people need permanent supportive housing. Best estimates at the time put the lack of housing at 150,000 units. Construction of additional permanent supportive housing to close this gap will end chronic homelessness. The funding would come from HUD McKinney-Vento Homeless Assistance. In the last 3 fiscal years, 30% of McKinney-Vento was set aside for permanent housing. The commission recommends making this set-aside permanent,

ensuring that an additional 15,000 units can be added annually, completely closing the gap in 10 years.

The final major reform suggestion is to eventually link rental and housing assistance with a work requirement. The system would be similar to the reform of Aid to Families with Dependent Children established in the recent welfare reform, and would enable homeless people “to increase their incomes and free up the housing units for other, currently unassisted families.”

### Streamlining:

The commission proposed changes to several programs in the hopes of streamlining the system. The Housing Choice Voucher program has been successful due to its flexibility and cost-effectiveness. In the future, the program should strive towards greater utilization and success rates by allowing reallocation of unused vouchers to other agencies serving the same population. The program could also be helped through greater enforcement of landlord participation rules. Finally, work requirements should be considered.

Simple improvements can be made to the LIHTC and HOME programs by removing outdated requirements that slow the system down and prevent needed work.

In terms of general government structure, the commission recommended repealing the 10-year rule, which currently limits the ability of states to use proceeds of Mortgages Revenue Bonds to issue below market rate mortgages. Additionally, budget laws should be revised to allow HUD to sign multi-year contracts. The overall change in annual budget will be negligible because these contracts are approved each year and are unlikely to ever be rejected. By allowing multi-year contracts however, stability for property owners and agency operators will improve, encouraging more far-reaching development and sustainability projects.

### What Has Happened Since:

Responses to the report varied. Chester Hartman of the National Housing Institute found the commission’s report to be a “disappointment.” He criticized the origin of the report by questioning the committee’s composition. Hartman felt that it was heavily weighted towards the housing industry, developers, and investors, without enough representation from state and local housing agencies. As for the recommendations, the NHI critique lamented the lack of numerical goals and targets. The report ignored issues of race, rural housing, migrant workers and the plight of those with disabilities. Recommendations such as work requirements and establishing an annual increase in the percentage of income paid in rent by recipients of housing assistance (a suggestion for a new rent setting technique) were declared disturbing. Hartman also questioned the importance given to including the private sector when it is the private sector “that has brought us, and will continue to bring us, the country’s housing crisis.” Ultimately, Hartman dismisses the MHC report as presenting recommendations without major import or impact.

Another critique of the report came from the opposite side of the political spectrum. Commission member Robert Rector of the Heritage Foundation issued a dissent from the report the day following its release. He claimed that the commission failed to address the causes of the housing affordability problem, and used numbers that overestimated the extent of the problem.

The root causes of housing problems, Rector claimed, are low incomes and restraints on supply. To encourage higher incomes, Rector recommended broad use of work requirements for housing assistance. Additionally, he argued that marriage incentives would have a positive effect on income and recommended that housing programs implement such a strategy. To encourage increases in supply, Rector suggested that regulatory restraints such as restrictive zoning, antiquated building codes, and high impact fees be reduced. The Advisory Commission on Regulatory Barriers to Affordable Housing made a similar argument in its 1991 report to President Bush and HUD Secretary Kemp.

Rector's concern with the figures in the MHC report results from disagreement over the concept of affordability. Paying 30% or more of income on housing constitutes an affordability problem, but according to Rector, does not necessarily mean that the family faces absolute or relative economic hardship.

Coming out in support of the commission were the Mortgage Bankers Association, and the Corporation for Supportive Housing. Both agreed with recommendations presented to congress, as well as the reasoning behind them.

Several legislative events since the release of the report in the spring of 2002 reflect that the commission had a measurable effect on the nation's housing policies. Streamlining of regulations imposed on the HOME program as well as those on small PHAs took place a few months following the report. A year later, the Federal Register posted new rules for cost comparison by PHAs between rehabilitating housing stock and converting it to tenant based assistance.

Also in 2003, such prominent legislators as Senators Kerry and Clinton introduced congressional bills that greatly resemble the more significant recommendations in the report. In The Internal Revenue Act of 1986 would be amended to allow homeownership tax credits. The "Home at Last Tax Credit" would allocate funds to lenders and developers while the "Community Development Homeownership Tax Credit" would give tax relief to homebuyers with incomes under 80% of the AMI. The "Affordable Housing Preservation Tax Relief Act" would pass further amendments to the tax code. This bill establishes exit relief for owners of affordable housing as long as the property is transferred to a preservation entity. These acts of congress draw from the New Tools section of the MHC report. However, as of August 25<sup>th</sup>, none off these bills have made it out of committee.

## Follow-up

- Were the 4 policy principles the ones that you would have chosen?
- What do you think of the recommendations?
- Did they go far enough, too far?
- Are they going in the right direction?
- What do you think of the critiques?

*This memo was drafted by HomeBase summer intern Luke Gilroy. If you have any questions regarding this memo, please contact Piper Ehlen at (415) 788-7961 ext. 304.*


# Meeting our Nation's Housing Challenges

**Millennial Housing  
Commission**

May 30, 2002

A Summary

# Structure of Report

- Importance of housing to American society
  - Housing challenges facing the nation
  - History of Federal housing programs
  - Recommendations to Congress
    - New Tools
    - Major Reforms to existing programs
    - Streamlining existing programs
- 

# Importance of Housing

- A stable family life is based on having a stable place to live.
- The U.S. economy is largely dependent on housing as a source of wealth, equity, income, and employment

# A Stable Home Means...

- A positive environment for raising children
- Positive impact on childhood and adolescent school performance
- Greater high school graduation rates
- Less teen pregnancies
- Lower unemployment rates
- An opportunity for neighborhood revitalization which can mean economic development

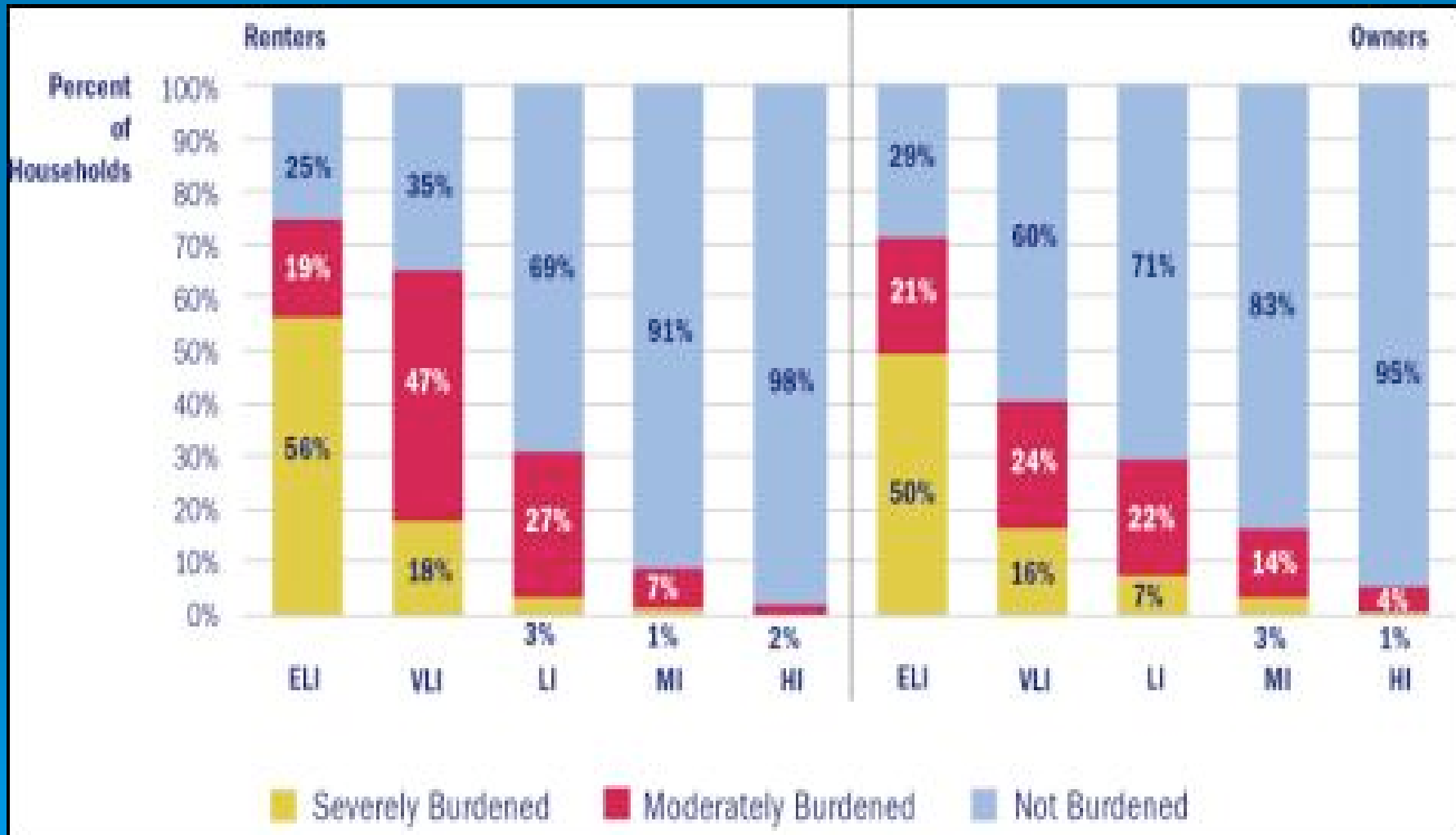
# Economic Impact of Housing

- Residential housing stock is 1/3 of the nation's tangible assets
- The housing sector consistently generates more than 20% of GDP
- In 2001, residential construction created 3.5 million jobs
- In 2001, home building contributed \$65 million to federal, state, and local revenues.

# Housing Challenges - Affordability

- 1 in 9 households spent more than half their income on housing costs during 1999
- Problems caused by:
  - Incomes being too low
  - Live in high cost markets
  - Age, disability, or difficulty finding job prevents them from making enough income
- Working full-time does not prevent acute housing cost problems

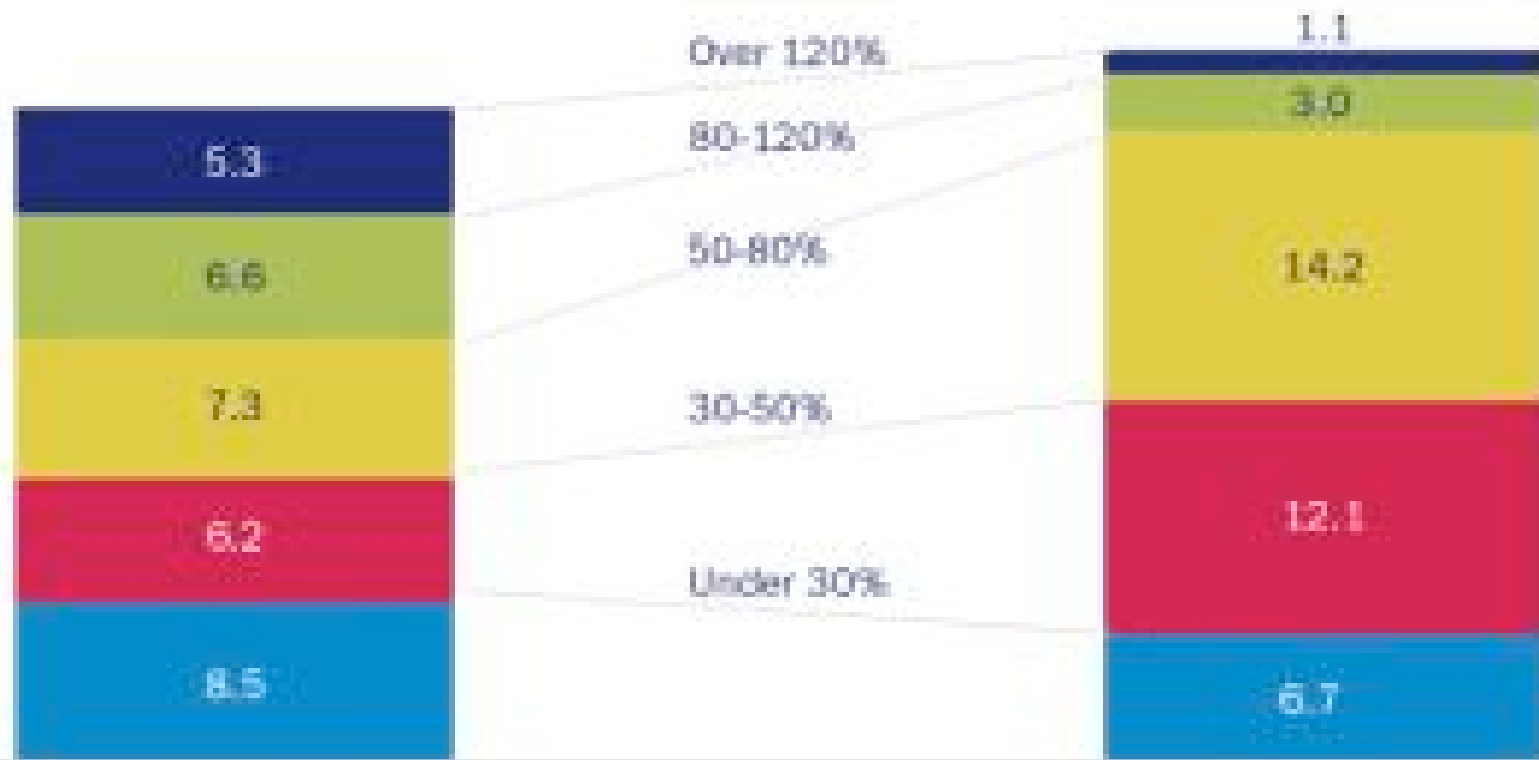
# Affordability Statistics



# Housing Challenges - Supply

- Housing affordable to ELI households is:
  - Old or in unsafe or economically depressed neighborhoods
  - Unavailable because higher income households outbid for the units
- The private sector cannot produce affordable housing to households with incomes under 70% of AMI without a subsidy
- Affordable rental stock will shrink as under 25 and over 65 households grow in population

# Supply Gap



Millions of  
Households

Income as a  
Share of AMI

Millions  
of Units

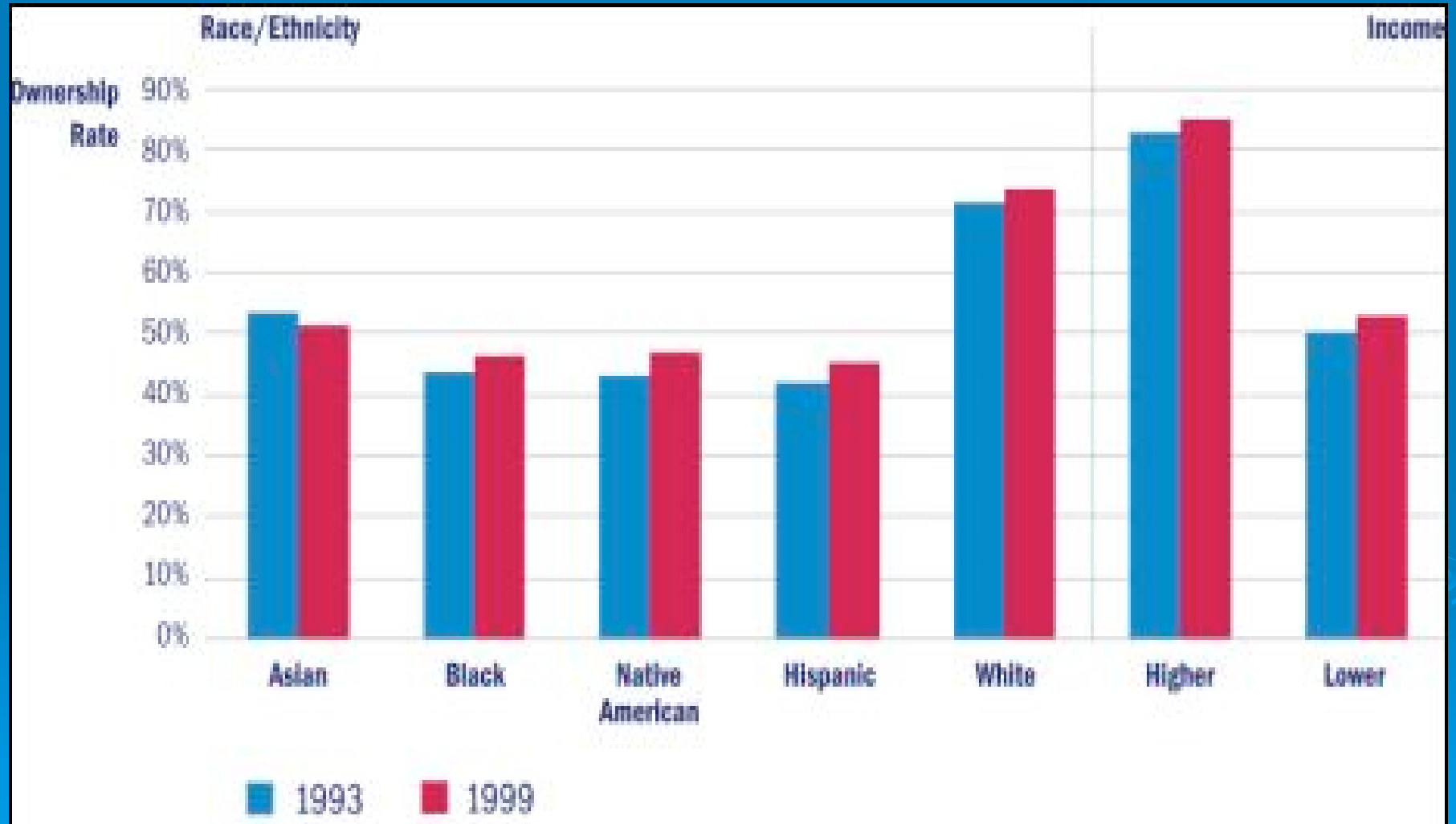
# Housing Challenges - Production and Preservation

- Only a third of eligible households receive rental assistance
- Cash flow starved apartments are at risk of becoming irreparable
- 1 million privately owned apartments can exit the affordable housing program when their short-term contracts expire
- Inadequate financing for housing development due to thin secondary markets
- Zoning laws can inhibit development of affordable housing projects

# Housing Challenges - Homeownership gaps

- Rates for low-income families and minorities still lag behind those of high-income and white families.
- Black/White gap = 27.2 percentage points
- Hispanic/White gap = 28.6 percentage points
- Lower/higher income gap = 32.3 percentage points

# Homeownership Gaps



# History of Federal Housing

- Fed. government first intervened in housing market during Great Depression
- Housing Act of '49 established goal of “a decent home...for every American family”
- Housing Act of '54 initiated requirement of comprehensive planning
- FHA subsidized production of housing, allowing owners to convert to market rent after 20 years
- In the 60's HUD created as cabinet level position and PHAs start renting private units
- In '69, PHA rent capped at 25% of tenant's income, later changed to 30%

# History (cont.)

- Housing and Community Development Act of '74 created CDBG and the section 8 program
- Tax Reform Act of '86
  - repealed incentives for development of affordable housing,
  - restricted states' ability to issue tax exempt bonds for multifamily housing
  - Created the Low Income Housing Tax Credit
- McKinney-Vento Homeless Assistance Act of '87 first fed. legislation addressing homelessness
- HOPE Investment Partnership program begins in the 90's

# Lessons from History

From the analysis of past programs, the commission developed 4 policy principles

1. Affordable housing must be part of a broader community development that targets schools, jobs, and safety
2. State and local governments are better able to make decisions on affordable housing
3. The private sector needs incentives to be part of effort to address affordable housing problem
4. Policies must ensure that sustainability is equally important as affordability of housing

# Recommendations - New Tools

- Create a tax credit to stimulate affordable housing for ownership
  - Allocate to developers to cover difference between cost and fair value sale
  - Allocate to lenders in return for lower closing costs or downpayment requirements

# Recommendations - New Tools

- Enact tax relief to encourage preservation
  - Rehabilitated buildings underwritten to provide 30 years of affordability, while new buildings underwritten for 50 years
  - Recognize entities dedicated to preserving affordable housing units
  - Create a preservation tax incentive to offset the negative tax basis that would otherwise prevent an investor from transferring affordable housing units to a preservation entity

# Recommendations - New Tools

- Provide subsidies for production of housing for ELI households
  - 20 years since last federal program to this end and a current supply gap of 1.8 million
  - 100% capital subsidy for construction, rehabilitation, or acquisition of units earmarked for ELI households
  - Rents would cover majority of operating costs, but subsidies would be needed to meet rest

# Recommendations - New Tools

- Attract private capital for rental housing
  - Eliminate restrictions on states' ability to issue tax exempt debt
  - Proceeds would have to go towards properties which reserve 20% of units for families with incomes <80% AMI
  - States would be required to develop parameters and criteria for allocation of this resource

# Recommendations - New Tools

## ➤ Facilitate strategic community development

- Allow states to reserve and pool 15% of total federal block grant funds
- Allocate these funds to projects supported by local governments which address:
  - Affordable housing
  - Economic development/job creation
  - Safety
  - Transportation

# Recommendations - Major Reforms

- Revitalize the public housing program
  - Convert operating and capital funding to contracts linked to each property instead of to each PHA
  - Allow debt financing of capital needs through private tax-exempt loans secured by a mortgage and backed by FHA mortgage insurance
  - Test new rent-setting approaches to further encourage upward mobility

# Recommendations - Major Reforms

- Restructure the Federal Housing Administration as a wholly owned corporation within HUD
  - Would allow quicker adaptation to changing markets, and more competitive recruiting
  - Would not alter budget significantly and HUD would retain oversight
  - Allow more flexible multifamily and single family program operation

# Recommendations - Major Reforms

- End chronic homelessness in 10 years
  - The public cost of caring for a mentally ill person is roughly the same cost as housing the person
  - Make permanent the set-aside of 30% of McKinney-Vento Homeless Assistance for permanent housing
  - Create 15,000 additional supportive care units annually

# Recommendations - Major Reforms

- Link housing assistance with work requirements
  - Eventually, all residence of housing assistance programs who are not disabled or elderly should be required to work
  - Based on the reform of Aid to Families with Dependant Children -- linked work requirement with childcare, education, transportation, etc.

# Recommendations - Streamlining

- Strengthen the Housing Choice Voucher Program
  - Improve utilization and success rates by reallocating vouchers from low-utilization PHAs to entities serving the same area
  - Increase landlord participation
  - Link vouchers to work opportunities initiatives so as to make upward mobility a primary goal

# Recommendations - Streamlining

- Improve the Low Income Housing Tax Credit and HOME programs by eliminating outdated requirements, thus allowing greater flexibility
- Expand states' ability to use Mortgage Revenue Bond program
- Allow HUD to enter into multiyear contracts, encouraging greater development

# Response from Left and Right

- NHI found report disappointing
- Composition of commission was too heavy in private sector
- Problems with report
  - No numerical goals
  - Race, and rural/native American housing problems ignored
  - Work requirements and increasing rent are not proper solutions
- No recommendation is of major import or impact
- Heritage Foundation's Robert Rector dissented from report
- Stressed addressing cause of affordability problem - low income, supply constraints
  - More work requirements
  - Marriage incentives not disincentives
  - Reduce zoning restrictions, etc
- Method for measuring affordability problem is flawed, thus overstating extent of problem

# More Responses

- Mortgage Bankers Association (MBA) applauds report
  - Supports the concepts underlying the major recommendations
- The Corporation for Supportive Housing finds the report useful
  - Supports the plan to end chronic homelessness
  - Supports the 100% capital subsidy of supportive housing

# Legislative Action - Federal Register

- Aug. 14, 2002 - HUD proposed rules for “Deregulation of Small PHAs”
  - Streamlining requirements from smaller agencies -- resembles an MHC recommendation
- Oct. 1, 2002 - HOME Investment Partnership Program
  - Streamlining regulation of HOME -- resembles an MHC recommendation

# Legislative Action - Federal Register

- Sept. 17, 2003 - Required & voluntary conversion of developments from public housing stock; final and proposed rules
  - PHAs must identify distressed properties and make cost comparison between rehabilitation and conversion to tenant-based assistance

# Legislative Action - Congress

- March 6, 2003 - “Home at Last Tax Credit”
  - To promote homeownership among low-income individuals
  - Credit allocated to lenders or developers.
  - Greatly resembles recommendation of commission
- April 10, 2003 - “Community Development Homeownership Tax Credit Act”
  - To allow an income tax credit for provision of homeownership, community development and other purposes
  - Credit allocated to homebuyers with an income less than 80% of AMI
  - In the spirit of the commission’s recommendation

# Legislative Action - Congress

- Nov 12, 2003 - “Affordable Housing Preservation Tax Relief Act”
  - Provide incentive to preserve affordable housing in multi-family housing units which are sold or exchanged
  - Tax relief provided to those who transfer ownership of affordable housing to preservation entities
  - Greatly resembles recommendation of commission

# Discussion Questions

- Who should have been represented on this commission?
- What do you think of the reasons presented for the importance of housing?
  - What focus does it show? Any bias?
- Did the commission pinpoint the major reason behind the lack of affordable housing?
- What do you think of the recommendations?
  - Do they go far enough?, too far?
  - Are they going in the right direction?
- What do you think of the critiques by NHI and Rector?



## The National Housing Trust Fund Campaign

c/o National Low Income Housing Coalition • 1012 Fourteenth Street, NW, Suite 610 •  
Washington, D.C. 20005 • (202) 662-1530 phone • (202) 393-1973 fax • www.nhtf.org

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Friday, July 23, 2004

## National Housing Trust Fund Update: Discharge Petition Filed!

In a big step for the National Housing Trust Fund Campaign, three cosponsors of National Affordable Housing Trust Fund legislation yesterday filed a motion for a **discharge petition** in an attempt to move the bill, H.R. 1102, to the floor of the House for debate and an up-or-down vote.

National Housing Trust Fund legislation in the House of Representatives now has an impressive 214 cosponsors. But the leadership of the Financial Services Committee, which has jurisdiction over the bill, has not taken up the bill. So Representatives Barbara Lee (D-CA), Michael Capuano (D-MA) and Bernie Sanders (I-VT) filed the motion in an effort to move the National Housing Trust Fund forward.

The introduction of the discharge petition is an *incredible* opportunity for the Campaign.

**What would a discharge petition do?** The petition would “discharge” the committee of its responsibility in considering the bill. If a majority of Members sign the petition, the bill can come directly to the House floor. In addition, the very existence of a discharge petition—because they are used so infrequently—raises the profile of a bill. The most recent example of legislation successfully kick-started by the discharge petition is the McCain-Feingold campaign finance reform. Note that a signature on the discharge petition is not a vote for the bill itself; it is simply support for consideration of the bill by the full House.

**How will the discharge petition work?** A discharge petition needs 218 signatures (a majority of the House) before the House can consider taking up the bill. Then a vote is taken on whether or not to schedule the bill for action. We currently have 214 cosponsors, 5 of them non-voting. This means that if we are able to get all of our current cosponsors to sign the petition, we will need 9 additional members.

The petition must be signed by the Member in person, while Congress is in session. And the petition cannot be signed until seven legislative days after it has been introduced. Together, these items mean that while the petition was introduced on July 22, Members will not be able to sign it until Congress comes back from its summer recess in early September. The first date that it can be signed is now projected to be September 14 or 15. *This gives all of us plenty of time to contact Members' offices and let them know the importance of signing the discharge petition.*

**H.R. 1102 has been changed.** H.R. 1102, the subject of the discharge petition, has one difference from the original bill: the source of funding to pay for the Trust Fund is no longer specified. If you know that the funding source listed in the bill is a reason your Member has not yet cosponsored, please let him or her know that the bill now uses general ‘such sums’ language when discussing the funding source.

## **WHAT ARE THE NEXT STEPS THAT TRUST FUND SUPPORTERS SHOULD TAKE?**

The Campaign will be able to take advantage of the upcoming Congressional recess, which runs from late July to early September, to build support for the discharge petition. There are two main steps each endorser can take.

### **1. Call your Member of Congress in his or her DC office (call toll-free 1-888-864-NHTF) or in the district office (find the number by entering your zip code at [www.nlihc.org](http://www.nlihc.org)).**

#### **If your Member of Congress is already a cosponsor of H.R. 1102:**

“I am calling because Representative \_\_\_ is a cosponsor of National Affordable Housing Trust Fund legislation, H.R. 1102. A discharge petition for H.R. 1102 was filed on July 22. This is an incredible opportunity to bring legislation to the floor that will address the dire shortage of affordable housing in our communities.

Please urge Representative \_\_\_ to sign the discharge petition as soon as it opens for signatures in September. Will you let me know whether he/she is able to sign the petition?” *(If possible, get a commitment from the housing staffer to call you to let you know whether the Member will sign the petition, and when he or she has actually done so.)*

#### **If your Member of Congress is NOT yet a cosponsor:**

“As you know, there is a severe shortage of housing in our community that people with low incomes can afford. I am calling because a discharge petition has been filed for H.R. 1102, National Affordable Housing Trust Fund legislation. I urge Representative \_\_\_ to sign this petition. Signing the discharge petition DOES NOT equal a vote for the bill; it just means agreeing to open debate and a vote on the bill.

Please urge Representative \_\_\_ to sign the discharge petition as soon as it opens for signatures in September. Will you let me know whether he/she is able to sign the petition? *(If possible, get a commitment from the housing staffer to call you to let you know whether the Member will sign the petition, and when he or she has actually done so.)*

**2. Arrange to meet with your Member of Congress in his or her district office over the recess.** Call the district office (find the number by entering your zip code at [www.nlihc.org](http://www.nlihc.org)) and tell the person who answers the phone you would like to set up a time to meet with the Member to discuss affordable housing issues, specifically the National Housing Trust Fund. The office will tell you what steps you need to take to arrange a meeting. You may want to consider bringing other people or members of other organizations with you.

Also, given that everyone in Congress, except those who are retiring, will be campaigning for reelection during the August break, campaign events are good opportunities to talk to your Representative.

**Need more information?** We will provide you with updates as we receive them. A CALL TO ACTION will be issued when the discharge petition can be signed. The press release sent out on the discharge petition is below. For a list of all cosponsors or other information, visit [www.nhtf.org](http://www.nhtf.org). If you have questions, please contact Matt Achhammer at 202-662-1530 x229, or at [matt@nlihc.org](mailto:matt@nlihc.org). Please report the results of all calls to Congressional offices to Matt.

## MEMORANDUM

TO: Regional Steering Committee on Homelessness and Housing

FROM: HomeBase

RE: Exploring Regional Approaches to End Homelessness in the Bay Area

DATE: September 17, 2004

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### Introduction

The Association of Bay Area Governments (ABAG) regularly convenes the Regional Planning Committee (RPC), a multi-jurisdictional body of locally elected officials, advocates, and other representatives. At their September 1<sup>st</sup> meeting, the RPC explored the history and future possibilities of regional efforts to combat homelessness in the Bay Area. HomeBase delivered a presentation on the history of, and current opportunities for, regional collaboration to combat homelessness, and the following memo was distributed as a background piece.

The RPC decided to further develop some of the regional possibilities discussed, through efforts led by ABAG and HomeBase. The interest of RPC members was especially strong around the idea of inter-jurisdictional collaboration in the design and implementation of 10-Year Plans to End Chronic Homelessness. Specific ideas include creating a central website to share 10-Year Plans and related planning documents across jurisdictions. Additionally, there was political support for the development of state legislation that would increase the prevalence and effectiveness of 10-Year Plans across the state.

HomeBase is following up with locally elected officials and others who have already expressed interest in developing some of these ideas. Our next steps include developing an open forum, likely an event or meeting, for everyone interested in developing some regional strategies. Please let us know what your ideas are, and we will keep you posted on this effort that is just beginning to take shape.

### Background

Across the country, there is a new strategy and energy in communities that are combating homelessness. Rhetoric about “ending homelessness in 10 years” and “chronic homelessness” abounds, yet it is bolstered by a solid solution-oriented strategy behind the hype. The strategy is to focus first on permanently ending chronic, or long-term, homelessness. People who are chronically homeless utilize a disproportionate share of limited resources, and cost communities a great deal through emergency room visits, jail time, shelter usage, and police. Second, the gaps in the safety net that allow for people to become and remain homeless for so long can be

reversed. Two common strategies are to prevent homelessness by engaging in discharge planning from institutions such as hospitals, prisons and jails, and mental health/substance abuse recovery facilities; and to permanently end homelessness for individuals by adopting a “housing first” model in which chronically homeless people move directly from the streets to permanent supportive housing. Once chronic homelessness is ended, the homeless service and housing system will free up more resources to adequately serve people who are homeless for only a short time.

## Status

Recently, local elected officials from around the Bay Area have expressed interest in embarking on a regional, inter-jurisdictional effort to combat homelessness. Further, ABAG continues in its support for regional efforts on this issue that continues to be a challenge for almost every city and county throughout the Bay Area. Also, the Bay Area has a progressive history of working against homelessness. Through innovation, collaboration, and a sense of common humanity, the Bay Area has made noteworthy progress against homelessness. A brief exploration of the history of regional efforts can provide lessons for future regional efforts. A discussion of next steps can shape a regional strategy to take advantage of this exciting moment in which we are moving from managing, to ending, chronic homelessness.

### **Why Take A Regional Approach To Ending Homelessness?**

The conditions that allow for people to become homeless are regional in nature—regional economies affect the ability of people to retain and regain housing. Factors such as the unemployment rate, wage levels, and cost of housing are regional, not local factors. Further, adoption of regional approaches help to ameliorate the political tension caused by the “magnet theory,” i.e., that those localities that build a housing and services infrastructure to address homelessness will draw in homeless people of neighboring communities in addition to their own residents.

Regional approaches to homelessness can provide certain benefits that local approaches may not. Through a regional approach, private and public funding for services and housing can be more strategically distributed. Data about people who are homeless can be collected and shared throughout a region, thereby informing more strategic and cost effective interventions to curb homelessness. Jurisdictions may establish shared standards or best practices for homeless housing and services in order to ensure that people who are homeless are treated with dignity and expertise, no matter where they live. Cross-jurisdictional collaborations may be centered around, and held together by, a regional shared base of funding, data, and/or principles of service.

### **The Bay Area’s History of Regional Efforts to Combat Homelessness**

The Bay Area has a long history of working collaboratively on homelessness across jurisdictions. Few non-profit or governmental agencies work alone, and with much funding dependent on demonstrated collaboration, few can afford to work alone. Since 1995, The Department of Housing and Urban Development (HUD) has required that communities operate with the Continuum of Care local boards in order to be competitive for the McKinney-Vento Homeless funding. The governance and membership structure of Continuum of Care local boards vary across jurisdictions, but all boards must be representative of the multiple stakeholders in their

communities, develop strategic plans to fight homelessness, and evaluate the effectiveness of their local providers. Nationally, jurisdictions that have more developed Continuums of Care receive more funding, and traditionally, the Bay Area has competed very well for these funds. The extensive Continuum of Care design and planning throughout the Bay Area remains the most common city- or county-wide collaboration against homelessness.

In 1994, the *Bay Area Regional Initiative to Turn Homelessness Around (BARI)* was established. BARI started out of a \$7 million start up grant awarded to the 11-county region as a competitive demonstration grant to foster innovative responses to homelessness, with other local private and public funding supporting BARI. ABAG served as the major convener of the 11 counties and 4 cities that were part of BARI. Eight projects were launched through BARI—each of which was a cross-jurisdictional and inter-agency collaboration. The 8 BARI collaborations addressed the homeless specific issues of employment, youth, funding for housing, NIMBYism, supportive housing, mainstream<sup>1</sup> benefits access, and information management systems. Recognized as a best practice by HUD, BARI's most distinguishing aspect has been its wide geographic coverage (across 11 counties), as well as its emphasis on participatory and collaborative governance. BARI's lasting contributions can be seen through the continuation of the collaborative projects that it helped launch: these include the Corporation for Supportive Housing's Health, Housing, and Integrated Services Network (HHISN) for formerly homeless people in supportive housing, and the Non-Profit Housing Association's Community Acceptance Strategies Consortium to combat NIMBYism in the locating homeless services and housing facilities.

BARI grew out of the work of the *Regional Steering Committee on Homelessness and Housing (RSC- that's you!)*, which has been working collaboratively together since the late 1980's. Meeting bimonthly, the RSC is open to all, and composed of homeless people, service providers, government representatives, advocates, and other concerned community members from throughout the greater Bay Area. The RSC dialogues about timely questions of homeless policy and practice—through inclusive discussions rooted in sound research and expertise. In addition to BARI, other RSC-initiated efforts include directed advocacy at the state and federal level, development of standards and best practices, and a host of other community- and regionally-based initiatives.

### **Current Regional Efforts in the Bay Area**

Recently, communities around the Bay Area and country have developed *10-Year Plans to End Chronic Homelessness*, a notion first popularized by the National Alliance to End Homelessness. The emphasis on ending chronic homelessness, as contrasted with managing homelessness, has gained renewed currency with many localities, the U.S. Conference of Mayors, and the federal Interagency Council on Homelessness (ICH). These plans focus on ending chronic homelessness, by creating permanent supportive housing and engaging mainstream systems through systems intervention and discharge planning. The 10-year plans also outline funding plans to implement the recommended action steps. 10-year plans (and in-depth 5-year plans) are critical to attracting business and civic involvement around homelessness. Locally elected leadership on 10-year planning efforts are central to the success of 10-year planning initiatives.

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<sup>1</sup> The term “mainstream” refers to all of the benefits that are available to low-income people generally, and are not exclusively for people who are homeless. Examples include Food Stamps, Cal WORKS, WIC, SSI, and Medi-Cal.

Though the ICH has not required or funded communities to develop 10-year plans, it does strongly recommend that communities do so. In the Bay Area, the communities of Contra Costa County and City/County of San Francisco have recently completed their 10-Year Plans. These two local communities also recently accessed special federal funding to end chronic homelessness in their communities within the next 10 years. In FY2003, the ICH announced the Collaborative Initiative on Chronic Homelessness, which furnished new competitive federal grant money. Contra Costa County and the City/County of San Francisco each received over \$3.4 million for housing and supportive services for chronically homeless people. Though there is no prescribed relationship between completing 10-year plans and accessing this one-time funding, these two local communities were able to align the funding opportunity with their planning efforts—resulting in great progress.

HUD has required that all Continuum of Care communities establish a Homeless Management Information System (HMIS) by this fall. Basic data about homeless users of homeless-serving agencies are to be collected, analyzed, and regularly reported out. Communities around the Bay Area have been hard at work designing and launching each community's HMIS. And the region has come together in order to establish a way to compile and track a Bay Area-wide analysis of the characteristics and needs of homeless people across the region. Private funds have allowed for the creation of the *Bay Area Counties Homeless Information Collaborative (BACHIC)*. The collaboration is designing a central data management system that will periodically collect and aggregate county-level HMIS data into a region-level analysis. There has never been solid and complete data about people who are homeless—their needs, characteristics, and service usage. Not only will data from HMIS efforts assist communities in more efficiently filling in gaps and removing duplications in the service system, but data will also help communities demonstrate the need for more funding to both government and private sources.

Some private foundations have long been at the forefront of innovating new strategies to combat homelessness, and other foundations annually provide the less glitzy, yet absolutely critical, support for the operations of homeless shelters, food banks, and crisis lines. Bay Area foundations have a history of providing a range of financial support to end homelessness in the region for the last two decades. In the mid-1980s, the Northern California Grant Makers Task Force on Homelessness was established to provide a collaborative funding body to strategically invest in efforts to combat the then-new problem of wide-scale homelessness. As government funding for homelessness increased, programs evolved, and homelessness remained a problem, many foundations stopped funding the issue of homelessness—largely because the investment was not producing the return of decreased homelessness. Recently, however, foundations have returned to funding homelessness in a strategic and cooperative way. Mirroring the Nation Foundation Advisory Group for Ending Homelessness, over 9 foundations formed the *Bay Area Foundation Advisory Group to End Homelessness*. Informed by smart practices that engage mainstream systems, some Bay Area foundations are now funding some of the most innovative efforts to end homelessness, particularly chronic homelessness.

### **Current Opportunities**

The Bay Area continues to enjoy opportunities for expanding the rich and varied regional work to end homelessness. Successful regional partnerships require the well-rounded participation of

various stakeholder groups, including locally elected officials, regional planning bodies, and housing and service providers. While dedicated funding is often necessary to operate regional efforts over the long term, in the short term, stakeholders can begin orienting themselves regionally in addressing homelessness. Some initial opportunities for engaging in combating homelessness locally and regionally are listed here:

- Support your local community's strategic plan to combat homelessness by helping to break through institutional barriers to full implementation of their plans. Each local strategy in the region contains steps to engage mainstream systems at the state level—whether it is to increase the Medi-Cal reimbursement rate to providers, or to increase state funds for outreach to homeless people with serious mental health issues. Help to make these system-wide changes by engaging the state in a strategic and meaningful way, through a statewide policy academy or other forum for change.
- Work with the Regional Steering Committee (RSC) to voice the needs of your community: collaborate for policy change at the federal, state, or local level; get informed by attending meetings; request an information briefing for a local entity in your jurisdiction.
- Support the HMIS efforts in your area and those that are happening regionally: advocate for cooperation between data-sharing entities, and sufficient funding to support these efforts.
- Spearhead a 10-year planning process: develop a citywide, multi-city, countywide, multi-county, or regional 10-year plan to end chronic homelessness.
- Engage with your local and regional foundations on their homeless initiatives. Explore opportunities to leverage public resources for ongoing efforts, or to incubate a foundation initiative in the region.

## ATTACHMENT

### RELEVANT REGIONAL HOMELESS EFFORTS AROUND THE NATION

#### ***Bay Area Regional Initiative to Turn Homelessness Around (BARI)***

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Scope: Counties of Alameda, Contra Costa, Marin, Monterey, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma, and more than 85 non-profit agencies.

Convener: Association of Bay Area Governments (ABAG) convened the Policy Advisory Committee for BARI to review local government policy reform.

Financial Administrator: Northern California Council for Community (NCCC) was responsible for eligibility screening and subcontracting with grantees, as well as financial management and oversight.

Grant Review Board: The Regional Task Force on Reducing Homelessness consisted of representatives from private foundations, local government, labor, business, and relevant federal departments. The Task Force reviewed applications and awarded grants to subcontractors.

Staff: HomeBase served as program and policy staff to the Initiative: convening grantees and Task Force, providing technical assistance to projects, and developing progress reports.

Financial Support: \$7 million demonstration grant awarded by HUD in 1994 as an initiative to foster innovative responses to homelessness and to support the development of Continuums of Care. The Northern California Grant makers Task Force on Homelessness helped to generate matching resources for all of the projects supported by BARI. Each sub grantee was required to produce a funding match of at least 10%, with a greater match resulting in higher funding priority. BARI leveraged almost \$31 million during the life of the grant in other HUD funding, other federal, state, local, and private resources.

Goals: To pilot a range of regional strategies that are cross-agency and cross jurisdictional that demonstrate innovation, adopt a regional approach, enhance the existing Continuums of Care, and maintain dignity for homeless people.

Activities: Eight varied regional projects were launched through BARI, and all crossed lines of agencies and jurisdictions. The projects addressed a range of regional needs in the response to homelessness.

1. *Bay Area Homeless Alliance (BAHA)* Established a regional internet network for homeless service and housing providers across the Bay Area. Internet site provides links to information and referral sites for services and housing, housing listing, job listings. Also established 1-800 regional shelter housing line, community voicemail for homeless people, and e-mail access among providers.
2. *Training and Enterprise Collaborative for the Homeless (TECH)* Developed for-profit homeless run enterprises that train and employ homeless people.
3. *Health, Housing, and Integrated Services Network (HHISN)* Developed “integrated services teams” for formerly homeless people living in supportive housing. This model has been expanded and replicated successfully.
4. *BayFund* Developed a regional fund for the development of regional housing for homeless people, including emergency shelter, transitional housing, and permanent housing.

5. *Community Acceptance Strategies Consortium (CASC)* Works throughout Bay Area to address problems of NIMBYism that impedes the development of housing and services for homeless people.
6. *Regional Employment Collaborative* Works in each county to ensure a minimum level of homeless employment infrastructure, facilitate regional sharing of job leads, and to increase access to mainstream employment programs for homeless people.
7. *Homeless Youth 101* Networking region of homeless youth service and housing providers. Provides coordinated continuum of services and housing to youth.
8. *Bay Area Regional Benefits Access Collaborative (BAYBAC)* Building a regional pool of trained volunteers and staff to assist homeless people in accessing SSI/SSP and the EITC.

Outcomes: Successfully implemented and innovatively designed, the regional initiatives of BARI demonstrated that regional approaches to Bay Area homelessness could be successful. However, participants found that much more time and funding are required to permanently change the fundamental structure of jurisdictional barriers to institutionalizing a regional structure to combat homelessness.

## ***Community Shelter Board (CSB)***

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***Scope:*** Counties of Columbus and Franklin, Ohio.

***Convener:*** CSB.

***Financial Administrator:*** CSB.

***Grant Review Board:*** CSB maintains a 17-member volunteer Board of Trustees. Each of the original founders of CSB receives a designate number of chairs to which they appoint board members to a 3-year term.

***Staff:*** CSB retains its own staff, consisting of an Executive Director and 9 other staff positions.

***Financial Support:*** The Columbus Foundation originally served as CSB's fiscal agent until the organization grew to become its own 501(c)3. The foundation's incubation resulted in new federal and philanthropic funds being leveraged. Eight local foundations continue to fund CSB, along with local, state, and federal funding.

***Goals:*** To coordinate the policy, data collection, and funding for homelessness in the greater Columbus area.

***Activities:*** CSB is the central agency for most homeless funding, strategy, and data efforts in the region.

1. Oversees funding and services delivery planning, including the facilitation of the region's Continuum of Care plan.
2. Administers federal and private funds for emergency shelters, homelessness prevention, housing resources, technical assistance, research, and other local services. Service providers apply directly to CSB for annual funding. Annually, CSB allocates \$7.5 million to support 17 agencies.
3. Administers the collection of unduplicated data from Franklin County's emergency shelter system. Demographic data is collected on homeless and tracks use of shelters individually and systemically, allowing Board to monitor financial resources per bed use.

***Outcomes:*** Since 1986, CSB has granted \$34 million to local homelessness agencies. CSB has a unique ability to leverage a range of both private and public funds. CSB has done a noteworthy job of maintaining its neutrality in its role as an intermediary to analyze data, and then recommend funding based on needs data.

## ***Metropolitan Denver Homeless Initiative (MDHI)***

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***Scope:*** Counties of Adams, Arapahoe, Boulder, Denver, Douglas, and Jefferson, Colorado.

***Convener:*** MDHI Governance Board, which is composed of 39 elected members, and are representative of multiple stakeholders involved.

***Financial Administrator:*** MDHI Coordinator and Governance Board, and City of Denver staff.

***Grant Review Board:*** MDHI Governance Board.

***Staff:*** MDHI Coordinator and support from City of Denver staff.

***Financial Support:*** Corporate, faith-based, local, state, federal, and other private funds.

***Goals:*** To plan, develop, and implement a comprehensive continuum of care, and to eliminate gaps and duplications in system. To unite all agencies, governments, and advocates in six county area in collaborative effort to end homelessness in region.

***Activities:*** MDHI convenes and administers the Continuum of Care, as well as other homeless initiatives in region.

1. Recently, MDHI has collaborated with the Denver Commission to End Homelessness, created by the Denver mayor to develop a 10-year plan to end chronic homelessness.
2. Conducts annual regional point-in-time survey of homeless people. Analyzes and shares data with service and political partners.
3. Maintains participation of 7 counties and many cities in annual planning processes. Ensures that process remains open to all interested.

***Outcomes:*** MDHI has been working for over 10 years, as a collaborative of 7 counties and 28 cities, including hundreds of organizations. MDHI has developed the greater Denver area as a leading region in the fight against homelessness. The recent development of a 10-year plan, and award of the ICH's Collaborative Initiative on Chronic Homelessness grant, are examples of the successes that the regional collaboration has reaped to date.

## ***Unity for the Homeless***

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***Scope:*** New Orleans, Louisiana

***Convener:*** Service Providers and Professionals Association (SPPA) is a membership organization of more than 70 homeless service providers that determined the need for an entity such as Unity for the Homeless.

***Financial Administrator:*** Unity for the Homeless.

***Grant Review Board:*** Unity for the Homeless.

***Staff:*** Unity for the Homeless maintains a staff of 8, including an Executive Director, Technical Assistance Director, Special Projects Coordinator, Systems Coordinator, Grants Administrator, Marketing Director, and Program Director.

***Financial Support:*** Corporate, faith-based, local, federal, and other private funds.

***Goals:*** To increase community's organized capacity to resolve issue of homelessness through open, inclusive, and coordinated decision-making, collaborative efforts, and funding.

***Activities:*** Unity for the Homeless is a re-granting agency that works with member agencies of the SPPA to create local and regional collaboratives to combat homelessness.

1. Centralizes fundraising responsibility, freeing partner agencies from burden. Applies for large grants, and redistributes monies to other providers.
2. Responsible for fiscal and programmatic monitoring.
3. Have established at least 9 extensive collaborative projects, including a new facility that houses up to 18 families and 36 women, as well as 2 new non-profit direct service organizations.
4. Created HomeNet, an HMIS that allows over 25 agencies to engage in collaborative case management and comprehensive data collection and client tracking.
5. Unity for the Homeless is one of eight organizations nationwide that receive technical assistance to improve literacy among homeless families throughout SPPA agencies.

***Outcomes:*** Unity for the Homeless received a HUD Best Practice Award in 1997. Within its first five years of existence, Unity's revenue grew from \$230,000 to over \$5 million. Annually, Unity re-grants almost all of its revenue to at least 18 grantees. Unity's position as a re-granting agency raises Unity's status, and helps to leverage resources and cooperation in data collection.

*For further information, please feel free to contact Marty Fleetwood, Executive Director, via email at [marty@homebaseccc.org](mailto:marty@homebaseccc.org) or by phone at 415-788-7961, ext. 312.*

## MEMORANDUM

TO: Bay Area Regional Steering Committee on Homelessness and Housing

FROM: HomeBase

RE: Federal & State Legislative & Budgetary Update

DATE: September 17, 2004

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### Context of TANF (Temporary Aid to Needy Families)

The RSC has followed TANF legislation for a number of years, as TANF dollars provide significant financial assistance and work supports for very low-income families with children. The stated goals of the program are to help families achieve economic self-sufficiency and promote marriage. TANF, or Temporary Assistance to Needy Families, replaced the AFDC program with the implementation of the welfare reform legislation passed in 1996.

Over the past four years, the RSC has considered the effect of TANF on people who are homeless and identified potential legislative reforms that would enhance the ability of poor parents to become employed – a stated purpose of the TANF program. The RSC has championed welfare reform that responds to the needs of those who some call the “hard-to-employ” families. These families face a broad range of potential barriers to employment, including a lack a housing, personal and familial challenges (such as mental health, substance/alcohol abuse, domestic violence, limited work experience or illiteracy), and logistical difficulties (such as transportation and childcare). Last time we considered this, the RSC wanted Congress to expand the range of activities that count toward the work requirement and fund the implementation of strategies that address the needs of these hard-to-employ families.

### Status of Reauthorization Legislation

The TANF program was reauthorized by Congress in September 2003 (H.R. 2350) and has been extended through September 30, 2004 (H.R. 4589). The program was originally scheduled to expire on June 30 this year, but Congress passed a so-called “clean” extension of the program for an additional 3 months. For the TANF program to continue, it must be reauthorized before September 30<sup>th</sup> by Congress.

However, TANF may undergo some drastic alterations during this reauthorization process. In February 2003, the House of Representatives introduced H.R. 4 (Personal Responsibility, Work, and Family Promotion Act of 2003), which calls for major changes to the current TANF program. The bill was referred to the Senate, where the Senate Finance Committee approved a modified version of H.R. 4, but, in April 2004, the bill was ultimately pulled from the Senate floor and further consideration by the full Senate. Thus, it is unclear what will happen in the next two weeks. Congress may choose to take the easy route and simply extend the program’s expiration date as it has done in the past (*i.e.*, another “clean” extension) or it may decide that now is the time to overhaul the program consistent with H.R. 4 or the Senate Finance Committee’s mark-up. It is difficult to predict what will happen with TANF legislation, given that there are reports from the federal Department of Health & Human Services stating that caseloads for TANF recipients

are down for 2003 while at the same time overall poverty for single mothers and children increased substantially from last year. Nonetheless, it is difficult to imagine – although not impossible – that Congress and the Bush Administration will choose to act in an aggressive manner only one month before federal elections.

#### Review of the Key Provisions of H.R. 4 and the Senate Finance Mark-Up of H.R. 4

The chart below provides a snapshot review of the pending substantive TANF legislation before Congress. As previously noted, it is uncertain whether Congress will choose to address substantive TANF reform in this round of reauthorization or simply to reauthorize the existing TANF program and put off for another day the proposed substantive legislation outlined below.

Those issues previously identified by the RSC as most important – work participation rules, childcare, housing assistance, and the so-called “superwaiver” provision of the proposed TANF legislation – do not align with Congress’s view of welfare reform. That said, the Senate Finance Committee’s version of the House bill is an improvement over the House’s bill, H.R. 4. Previously, the RSC advocated the following provisions with respect to TANF reform:

1. Maintain the 24 hours/week work requirement for single parents with children under age 6 and the 30 hours/week work requirement for single parents.
2. Count education as a “work activity” and remove the 12-month limit on vocational education counting as a work activity.
3. Modify the time limits for families w/adults participating in counseling or other services that address barriers to success in the workplace (such as mental health, drug/alcohol issues, domestic violence, limited English language or literacy skills) and ensure that the time permitted to engage in these activities is of sufficient duration to be effective.
4. Stop awarding “participation rate credits” based on caseload reduction; instead, reward increased incomes to families.
5. Treat housing assistance provided with TANF and MOE (maintenance of effort) funds in the same way as other work support programs by not counting it against the 60-month time limit
6. Encourage state and local government officials to consider housing needs in their TANF planning and implementation and to facilitate interagency cooperation as it relates to meeting the housing needs of low-income families
7. Provide funds to explore ways of meeting the housing and other needs of families with multiple barriers to work
8. Include a stop-the-clock provision that allows participation to keep some supplemental TANF cash benefits when working in low-wage jobs without counting toward the 60-month TANF lifetime limit.
9. Allow states the option to permit families working in unsubsidized employment to “earn back” months of eligibility beyond the 5-year limit so that a future emergency (such as a lay-off or temporary disability) will not leave the family without a safety net.

Relevant to some of the issues the RSC identified as critical (above) is the following chart, which summarizes select provisions of the proposed congressional legislation.

	<b>Current Law</b>	<b>H.R. 4</b>	<b>Senate Finance version</b>
<b>1. Hours of Participation</b>			
Single parent w/child < 6 years	24 hours	40 hours 24 hours of direct work (partial credit)	24 hours
Other single parent	30 hours	40 hours 24 hours of direct work (partial credit)	34 hours 20 hours (partial credit)
2-parent family	35 hours	40 hours 24 hours of direct work (partial credit)	39 hours 26 hours (partial credit)
2-parent family receiving subsidized childcare	55 hours	40 hours 24 hours of direct work (partial credit)	55 hours 40 hours (partial credit)
Teen parent	20 hours (in education related to employment OR satisfactory attendance at a secondary school or equivalent)	Same as current law	Same as current law
<b>2. and 3. Countable Work Activities</b>			
<b>2. Primary countable work activities</b>	<p>First 20 hours</p> <p>Paid or unpaid work (on-the-job training, work experience, community service)</p> <p>Vocational educational training (12 months); number of recipients in vocational education and teen parents in school that a state may count toward work is capped at 30% of families that count toward work rates</p>	<p>First 24 hours</p> <p>Paid or unpaid work (on-the-job training, supervised work experience, supervised community service)</p> <p>No vocational educational training as primary activity, but work-related education or training could count as a primary activity for 3 months in a 24-mo. period</p>	<p>First 24 hours</p> <p>Paid or unpaid work (on-the-job training, work experience, community service)</p> <p>Vocational educational training (12 months, allows state to count post-secondary or vocational education as primary work activity, with a 10% cap of state caseload)</p>

	<b>Current Law</b>	<b>H.R. 4</b>	<b>Senate Finance version</b>
	<p>Providing childcare for other participants</p> <p>-0-</p>	<p>-0-</p> <p>Barrier removal activities: other state-defined “qualified activities” for no more than 3 mos. in 24 (ex., vocational educational training, above)</p>	<p>Providing childcare for other participants</p> <p>Barrier removal activities for up to 6 mos. in 2 yrs. as long as activities are combined w/work or work-readiness activities during months 4 to 6:</p> <ul style="list-style-type: none"> <li>• substance abuse counseling or treatment</li> <li>• programs designed to remove work barriers</li> <li>• post-secondary education</li> <li>• adult literacy programs/ activities</li> <li>• any programs/ activities authorized under a waiver approved for any state after 8/22/96</li> </ul> <p>States may deem a single parent who cares for a disabled child or dependent to be meeting all or part of a family’s work requirements</p>
<b>3. Secondary countable work activities</b>	<p>Balance of hours:</p> <p>Any of the above</p> <p>Job skills training</p> <p>Education-related employment</p>	<p>Balance of hours:</p> <p>Determined by state subject to such regulations as the Secretary may prescribe</p>	<p>Balance of hours:</p> <p>Any of the above</p> <p>Job skills training</p> <p>Education-related employment</p>

	<b>Current Law</b>	<b>H.R. 4</b>	<b>Senate Finance version</b>
	Satisfactory secondary school attendance or GED participation		Satisfactory secondary school attendance or GED participation  Barrier-removal activities (above)
<b>4. Participation Rate Credits</b>	Caseload reduction credit allows state to reduce participation rate by 1% point for each percentage point decline in caseload since FY95 that is not attributable to eligibility rule changes	Retains caseload reduction credit but bases credit only on recent declines in caseload	Replaces caseload reduction credit w/employment credit based on the number of families employed after leaving ongoing cash assistance; large credit for families w/large earnings

**Work participation activities**

While recent research on welfare-to-work strategies demonstrates that the most successful models focus on employment, substantial use of education and job training was also made. Family incomes increased as well as child outcomes. The RSC has previously advocated the recognition of the role that education and job training play not only in securing employment but also in increasing overall income.

The effect of the increased work participation rates called for by both H.R. 4 and the Senate Finance Committee version of the bill will force the state of California to make some unsavory choices. Under both H.R. 4 and the Senate Finance Committee version of the bill, California will fall short of the required work participation rate (70% under H.R. 4 and 50% under the Senate Finance Committee version, assuming full implementation of the new rate structure). The state would have to increase participation considerably or, as some authorities have suggested, use separate state programs for those participants not meeting the rates and treat activities, such as parenting, as counting toward hours above the 24 hours of “direct work.” Alternatively, the state may impose new restrictions on assistance and/or terminate assistance to families with severe employment barriers. The state may be much more inclined to engage in this latter strategy given that both H.R. 4 and the Senate Finance Committee version propose more stringent penalties against the “offending” families as well as against the state itself. Additionally, both House and Senate versions propose a significant reduction in participation rate credits, which provides further motivation for the state to move as many families as possible, as quickly as possible, into work. The net result would likely be less time and money allocated for engagement in barrier-removal activities, such as English language or literacy courses, substance/alcohol abuse counseling, mental health, or educational opportunities.

**Childcare**

Both H.R. 4 and the Senate Finance Committee version include a mandatory funding increase of \$200 million per year; H.R. 4 requires a state match, the Senate version does not specify. This amount is below prior years’ funding requests for TANF childcare and agencies such as the

California Budget Project have stated that the proposed funding levels are not sufficient even to maintain existing childcare programs. Further, while the Bush Administration argues that H.R. 4 would “free up” \$2 billion for states to use for childcare, the reality is that these funds are unobligated carryover funds that could be used for any allowable TANF purpose, not necessarily for childcare.

### **Housing**

The benefits of affordable housing, especially housing located close to employment opportunities and educational institutions, are obvious. Current TANF law permits states to provide emergency housing assistance to eligible families for no longer than 4 months. After 4 months, further assistance is counted against the family’s 60-month limit.

Neither H.R. 4 nor the Senate Finance Commission version of the bill provide for housing assistance, although H.R. 4 requires that states develop a self-sufficiency plan which details activities and informs families of any low-income housing assistance programs. The Senate Finance Committee version of the bill also requires the development of a self-sufficiency plan to include information about low-income and affordable housing as well as supportive services the state intends to provide the family, including work supports.

### **The “superwaiver”**

A “superwaiver” allows a state to disregard certain congressionally-mandated targeting rules in various federal programs in order to allow states to shift resources from low-income and/or homeless families to other budgetary priorities.

H.R. 4 includes a provision which permits waiver of basic targeting requirements that Congress set for various low-income programs to ensure that federal funds serve those most in need. Programs at risk include McKinney-Vento homeless assistance programs, food stamps, the Childcare and Development Fund, public housing, TANF, Workforce Investment Act, Social Services block grant, and adult basic education.

The Senate Finance Committee version of H.R. 4 allows up to 10 states to obtain waivers, but said waivers must be approved by the federal Health & Human Services agency. Waivers that are granted permit states to disregard rules related to TANF, Social Services block grant, and the Childcare Development Fund programs.

### **Conclusion and Future Action**

HomeBase will continue to monitor TANF developments on behalf of the RSC.

- ❖ Would you like to receive emails concerning TANF and other federal and state legislative developments as they happen?
- ❖ Are there additional or different TANF priorities that the RSC now has? What are they?

*For further information, please contact Lise K. Ström, Staff Attorney, via email at [lise@homebaseecc.org](mailto:lise@homebaseecc.org) or by phone at 415-788-7961, ext. 306.*



## MEMORANDUM

TO: Bay Area Regional Steering Committee on Homelessness and Housing

FROM: HomeBase

RE: HUD/VA Budget Update

DATE: September 17, 2004

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### FY 05-06 VA/HUD Appropriations Bill clears the House of Representatives' Appropriations Committee; Senate Appropriations Committee Approves 302(b) Allocations and

#### House of Representatives action

The VA/HUD appropriations bill has passed two major hurdles on its way to full enactment. On July 20, 2004, the House VA/HUD Appropriations Subcommittee considered the bill, followed by consideration by the full House Appropriations Committee on July 22, 2004. While not yet finalized, the House Appropriations Committee is recommending (1) full-funding of Section 8 vouchers, (2) an across-the-board 4% cut in all other programs in order to fund Section 8, and (3) no monies allocated for the President's Samaritan Initiative. Specifically, the funding proposals are as follows:

- Total HUD funding: \$37.7 billion (cut by \$108 million from FY 04)
- Section 8 remains fully funded
  - Tenant-based rental assistance: \$14.7 billion (\$491 million up from FY 04)
  - Project-based rental assistance: \$5.3 billion (\$270 million up from FY 04)
- Homeless Assistance Programs: \$1.2 billion (cut by \$53.5 million)
- Community Development Block Grants: no total funding figure provided, only that its budget is to be cut by \$210 million from FY 04
- HOPWA: \$282 million (cut by \$12.8 million)
- Section 811/Housing for Persons with Disabilities: \$238 million (cut by \$11 million)
- Public Housing Capital Fund: \$2.6 billion (cut by \$116 million)
- Public Housing Operating Subsidies: \$3.4 billion (cut by \$154 million)
- HOME Program: \$1.9 billion (cut by \$86 million)
- HOPE VI Program: \$143 million (cut by \$6 million)

No money was appropriated for the Samaritan Initiative (H.R. 4057), which was a broad-based initiative proposed by the Bush Administration to provide collective funding from a variety of federal sources (specifically, from HHS, VA, and HUD, who would administer the grant) to fund new projects that offer combined housing and services to chronically homeless people. Additionally, the House appropriations committee did not set aside monies for the Administration's proposed Prisoner Re-Entry Initiative.

Senate action

The Senate Committee on Appropriations established its Section 302(b) allocations (essentially, spending limits) for FY 05-06. On September 8, 2004, the full Senate Appropriations Committee approved a total of nearly \$93 billion for HUD, VA, **and independent agencies**. The National Low-Income Housing Coalition reports that the Senate's 302(b) allocation for the HUD/VA subcommittee matches the House's HUD/VA allocation.

On September 9, 2004, however, the Senate HUD/VA Appropriations Subcommittee passed its budgetary bill in a highly unusual manner by polling members. With polling, the bill in its entirety is not reviewed by subcommittee members. Instead, members are given figures related to their requests for individual economic development initiatives that fund projects specific to their home states. In addition, members are given a polling sheet and, once signed, the polling sheet is the equivalent of having voted for the entire bill. All subcommittee members affirmatively signed their polling sheets, effectively passing the appropriations bill (at the subcommittee level). Because the bill was essentially done in secret, staffers were unaware of funding levels for major programs, but the National Low-Income Housing Coalition expects details to be available soon.

Senate Appropriations Committee Chairman Ted Stevens has stated that he wants all appropriations bills completed as quickly as possible and, by using polling, a subcommittee mark-up was avoided. A full Appropriations Committee mark-up is expected during the week of September 20 and it is then likely that the bill will be included in an omnibus spending bill. Such a bill, however, probably will not be passed before the start of the government's fiscal year, October 1, so a continuing resolution is expected (which would keep FY 04 funding levels until a final budget bill is passed). Congress is expected to be in session until at least October 8, possibly as late as October 15.

Thus, as of this writing, it is unclear exactly what makes up the Senate's HUD/VA budget. ***It is not too late to contact your Senators to tell them you want the HUD/VA budget to be fully funded.*** Please feel free to utilize the attached script when telephoning or emailing them.

HomeBase will notify RSC members via email as soon as the HUD/VA budget is finalized.

*For further information or to find out how you , please contact Lise K. Ström, Staff Attorney, via email at [lise@homebaseccc.org](mailto:lise@homebaseccc.org) or by phone at 415-788-7961, ext. 306.*

***Let's get HUD fully funded!***  
*What can YOU do about the federal budget?*  
Call, write, or email your Representatives and Senators!

*Here's a sample text of what you can say:*

“On July 22, the House Appropriations Committee approved the VA/HUD appropriations bill, which cut HUD funding by \$108 million. While the bill that was passed reinstated much of the funding for Section 8 housing vouchers that the Bush Administration’s proposed budget would have cut, it does so at the cost of other, vitally important housing programs. Homeless shelters, public housing, senior and disabled housing, among many other programs are all slated to be cut by at least 4%.

Please don't rob Peter to pay Paul! All of these programs meet critical needs in our community, especially those programs aimed at helping house the homeless. [*Describe your own efforts regarding homelessness and the needs for housing in your community.*] These cuts are especially troublesome given the enormous tax breaks this Administration has provided to the wealthiest Americans. The unmet need in our country is great and we must make it a national priority to fund housing programs at levels that meet this urgent need.”

*Here's who to say it to:*

**To find your Representative, go to:** <http://www.house.gov>, type in your zip code and the website will automatically direct you to your Representative's home page. From there, you will find out how you can contact your Representative via telephone or email.

**Or contact California's Senators:**

**Senator Dianne Feinstein**

United States Senate  
331 Hart Senate Office Building  
Washington, DC 20510  
202-224-3841 (tel)  
202-228-3954 (fax)

-- or --

One Post Street, Suite 2450  
San Francisco, CA 94104  
(415) 393-0707 (tel)  
(415) 393-0710 (fax)

**PLEASE NOTE:**

Email is only available through the Senator's website:

<http://feinstein.senate.gov/contact.html#phonefax> and click on the “email me” link.

**Senator Barbara Boxer**

United States Senate  
112 Hart Senate Office Building  
Washington, D.C. 20510  
(202) 224-3553 (tel)

-- or --

1700 Montgomery Street, Suite 240  
San Francisco, CA 94111  
(415) 403-0100 (tel)  
(415) 956-6701 fax

**PLEASE NOTE:**

Email is only available through the Senator's website:

<http://boxer.senate.gov/contact/webform.cfm> and click on the "email me" link.

**Congress is in session September 7-30, 2004, with a tentative adjournment date scheduled for October 1, 2004.**

*For further information or to find out how you , please contact Lise K. Ström, Staff Attorney, via email at [lise@homebaseccc.org](mailto:lise@homebaseccc.org) or by phone at 415-788-7961, ext. 306.*