

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: April 21, 2015

TO: Honorable Members of the Rules, Elections and Intergovernmental Relations Committee

FROM: Sharon M. Tso *TS*
Chief Legislative Analyst

Council File No.: 15-0002-S22
Assignment No. : 15-03-0207

SUBJECT: Resolution (Cedillo - Bonin) to support AB 1056 (Atkins) which would authorize housing authorities to create housing supports programs.

CLA RECOMMENDATION: Adopt the attached Resolution (Cedillo – Bonin) to include in the City’s 2015-16 State Legislative Program SUPPORT for AB 1056 (Atkins), which would authorize housing authorities to create housing supports programs.

SUMMARY

The Resolution (Cedillo – Bonin), introduced March 18, 2015, notes that there are limited housing services, assistance programs and resources for persons who are formerly incarcerated. It notes that currently pending in the Assembly is Assembly Bill 1056 (Atkins) which would authorize housing authorities to develop housing supports programs, which would include rental assistance, rapid rehousing services, and individual needs assessments for prospective tenants. The Resolution describes how AB 1056 (Atkins) would create the Second Chance Fund, which would be funded from a portion of savings from implementing Proposition 47 in 2014. Proposition 47, the Safe Neighborhoods and Schools Act, made changes to felony sentencing laws, reclassifying certain felonies to misdemeanors, and directed costs savings to programs that reduce recidivism.

The Resolution concludes that the City of Los Angeles should support legislation that creates funding for local housing authorities to administer housing assistance and services aimed at reducing recidivism and creating new opportunities for formerly incarcerated persons. Therefore, the Resolution recommends that the City support AB 1056 (Atkins), which would authorize housing authorities to create housing supports programs in the City of Los Angeles.

BACKGROUND

Proposition 47, The Safe Neighborhoods and Schools Act (“Act”), became effective in November 2014. Proposition 47 implemented changes to felony sentencing laws, including: (1) reclassified certain theft and drug possession felonies to misdemeanors; (2) authorized defendants serving sentences for felony offenses that were reclassified to misdemeanors to petition the courts for resentencing under the new misdemeanor provisions; and (3) authorized defendants who completed their sentences for felony convictions that would have qualified for misdemeanors under the new law, to reclassify those convictions to misdemeanors.

The Act established the Safe Neighborhoods and Schools Fund (“SNSF”) to receive funds from the General Fund in an amount equal to the savings resulting from the implementation of the Act. Proposition 47 allocates 65% of the SNSF to the Board of State and Community Corrections to administer a grant program to public agencies aimed at supporting programs, including diversion

programs for people in the criminal justice system, with an emphasis on programs that reduce recidivism of people convicted of less serious crimes and those who have substance abuse and mental health problems. A February 2015 report by the California Legislative Analyst's Office indicates that the amount of state savings from implementing of Proposition 47 will likely range between \$100 million to \$200 million beginning in 2016-17.

AB 1056 (Atkins) would establish the Second Chance Fund to fund housing supports programs. AB 1056 (Atkins) would require the Board of State and Community Corrections to deposit 33 percent of the SNSF in the Second Chance Fund and allow it to receive other federal, State or local grants or private donations. Monies in the Second Chance Fund would be disbursed as follows:

(1) Board of State and Community Corrections ("Board") - 90 percent. The Board would establish a request for proposal process for awarding grants to housing authorities that would establish housing supports programs; and

(2) California Housing and Finance Agency ("Agency") - 10 percent. The Agency would develop a request for proposals process for awarding grants to housing authorities that establish housing supports programs located in a rural or small county.

In awarding grants, the Board and Agency would have to (a) give preference to housing authorities that can leverage resources; and (b) give consideration to the housing authorities' geographic diversity.

AB 90 (Atkins) states that housing supports programs developed by a housing authority will at minimum, provide rental assistance for a period between three and twenty-four months; provide rapid rehousing services, including housing location services; and conduct an individual needs assessment for each prospective tenant. Support for AB 1056 would be consistent with past City support for legislation that facilitates housing support services for its residents.

DEPARTMENTS NOTIFIED

Housing and Community Investment Department

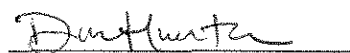
BILL STATUS

02/26/15

Bill Introduced.

03/19/15

Referred to Committee on Housing and Community Development.



Dora Huerta

Analyst

Attachments:

Resolution (Cedillo – Bonin)
AB 1056 (Atkins)

R5

RESOLUTION

WHEREAS, an official position of the City of Los Angeles with respect to legislation, rules, regulations or policies, proposed to or pending before a local, state or federal government body or agency, must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, there are limited housing services, assistance programs and resources for persons who are formerly incarcerated in the City of Los Angeles; and

WHEREAS, in a time of diminishing resources, the City can benefit from additional funding to provide formerly incarcerated persons, safe, stable housing and services to help overcome barriers to self-sufficiency; and

WHEREAS, currently pending in the Assembly is Assembly Bill 1056 (Atkins), which would authorize housing authorities to develop housing supports programs, which would include, at minimum, rental assistance, rapid rehousing services, and individual needs assessments for prospective tenants; and

WHEREAS, AB 1056 (Atkins) would allow housing authorities to finance housing supports programs from various sources, including grants and existing funding; and

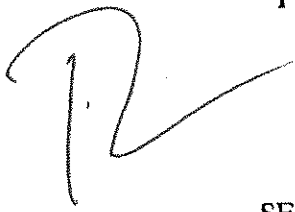
WHEREAS, AB 1056 (Atkins) would create the Second Chance Fund in the State Treasury, which would be funded from a portion of savings from implementing Proposition 47, the Safe Neighborhoods and Schools Act, approved by California voters in 2014, which made changes to felony sentencing laws, including reclassifying certain felonies to misdemeanors, and directed cost savings to programs that reduce recidivism; and

WHEREAS, the Second Chance Fund would provide grants to housing authorities that establish housing supports programs; and

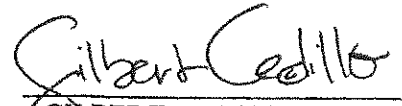
WHEREAS, the City of Los Angeles should support legislation that creates funding for local housing authorities to administer housing assistance and services aimed at reducing recidivism and creating new opportunities for persons who are formerly incarcerated;

THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2015 - 2016 State Legislative Program SUPPORT of Assembly Bill 1056 (Atkins), which would authorize housing authorities to create housing supports programs in the City of Los Angeles.

MAR 18 2015



PRESENTED BY:


GILBERT A. CEDILLO
Councilmember, 1st District

SECONDED BY:



ORIGINAL

ASSEMBLY BILL

No. 1056

Introduced by Assembly Member Atkins

February 26, 2015

An act to add Chapter 4 (commencing with Section 34650) to Part 2 of Division 24 of the Health and Safety Code, relating to housing assistance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1056, as introduced, Atkins. Housing assistance: formerly incarcerated tenants.

(1) Existing federal law, the American Recovery and Reinvestment Act of 2009, allocated, until September 30, 2011, \$1.5 billion to the federal Department of Housing and Urban Development for the Homelessness Prevention Fund, to be used for homelessness prevention and rapid rehousing. Existing law, the California Work Opportunity and Responsibility to Kids Act, provides housing supports to individuals if the administering county determines that the individual or his or her family is experiencing homelessness or housing instability that would be a barrier to self-sufficiency or child well-being, and declares that it is the intent of the Legislature that housing supports utilize evidence-based models, including those established in the federal Department of Housing and Urban Development's Homeless Prevention and Rapid Re-Housing Program. The Housing Authorities Law establishes, in each county and city, a public body corporate and politic known as the housing authority of the county or city.

This bill would authorize a housing authority, defined to include an entity created pursuant to the Housing Authorities Law or a housing-related entity created by a county, to develop a housing supports

program, as defined. The bill would require a housing supports program to provide rental assistance for a specified period to persons who are formerly incarcerated, provide rapid rehousing services, and conduct an individual needs assessment for each prospective tenant to determine the level of services provided and length of assistance. The bill would authorize the housing authority to finance the program through grants provided by the Board of State and Community Corrections or the California Housing Finance agency, existing funding sources except as specified, establishment of a regional center under specified provisions, and a grant repayment component of the housing supports program.

The bill would require the Board of State and Community Corrections to develop a request for proposal process for awarding grants to housing authorities that establish a housing supports program. The bill would require the California Housing Finance Agency to develop a similar request for proposal process for awarding grants to housing authorities located in small or rural counties, as defined. The bill would require the request for proposal process for both agencies to give preference to housing authorities that demonstrate the ability to attract matching funds or leverage existing funds and to give consideration to the geographic diversity of applicant housing authorities.

(2) The Safe Neighborhoods and Schools Act establishes within the State Treasury the Safe Neighborhoods and Schools Fund to receive moneys transferred from the General Fund in an amount equal to the savings resulting from the implementation of the act, as specified. The act requires that 65% of the moneys in the Safe Neighborhoods and Schools Fund be allocated the Board of State and Community Corrections to administer a grant program to public agencies aimed at supporting specified types of programs, including diversion programs, for people in the criminal justice system with an emphasis on programs that reduce recidivism, as specified.

This bill would create the Second Chance Fund in the State Treasury. The bill would require the Board of State and Community Corrections to deposit an amount equal to 33% of the above-described moneys it receives from the Safe Neighborhoods and Schools Fund. The bill would also authorize the Second Chance Fund to receive moneys from any other federal, state, or local grant, or from any private donation. The bill would require that 90% of the moneys in the Second Chance Fund be allocated to the board and 10% to the California Housing Finance Agency to administer grants for housing supports programs, as specified.

The bill would require the board to administer these provisions, and moneys in the fund would be continuously appropriated to the board for expenditure for these purposes. By creating a continuously appropriated fund, this bill would make an appropriation.

(3) The Safe Neighborhoods and Schools Act provides that its provisions may be amended by a statute, passed by a 2/3 vote of each house of the Legislature and signed by the Governor, that is consistent with and furthers the intent of the act.

This bill would declare that its provisions further the intent of the Safe Neighborhoods and Schools Act.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: no.

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

1 SECTION 1. Chapter 4 (commencing with Section 34650) is
2 added to Part 2 of Division 24 of the Health and Safety Code, to
3 read:

4

5 CHAPTER 4. SECOND CHANCE PROGRAM

6

7 34650. For the purposes of this chapter, the following
8 definitions shall apply:

9 (a) "Housing authority" means a public corporation established
10 pursuant to Chapter 1 (commencing with Section 34200) or a
11 housing-related entity established by a county.

12 (b) "Rural or small county" means a county with a population
13 of not more than 750,000.

14 (c) "Housing supports program" means a program for providing
15 housing-related assistance to individuals that utilizes
16 evidence-based models, including those established in the federal
17 Department of Housing and Urban Development's Homeless
18 Prevention and Rapid Re-Housing Program. A housing supports
19 program may include, but shall not be limited to, both of the
20 following:

21 (1) Financial assistance, including rental assistance, security
22 deposits, utility payments, moving cost assistance, and motel and
23 hotel vouchers.

1 (2) Housing stabilization and relocation, including outreach and
2 engagement, landlord recruitment, case management, housing
3 search and placement, legal services, and credit repair.

4 34651. (a) (1) A housing authority may develop a housing
5 supports program. A housing authority implementing a housing
6 supports program established pursuant to this section shall, at
7 minimum, do all of the following:

8 (A) Provide rental assistance, for a period of not less than three
9 months and not more than 24 months, to persons who are formerly
10 incarcerated.

11 (B) Provide rapid rehousing services, including housing location
12 services.

13 (C) Conduct an individual needs assessment for each prospective
14 tenant to determine the level of services provided and the length
15 of assistance.

16 (2) A housing authority may include a grant-repayment
17 component in its housing supports program requiring a tenant to
18 repay a portion of the aid received over time.

19 (b) A housing authority may finance a housing supports program
20 by any of the following means:

21 (1) Grants from the Board of State and Community Corrections,
22 as specified in Section 34652, or the California Housing Finance
23 Agency, as specified in Section 34653.

24 (2) Existing funding sources, except that the housing authority
25 shall not utilize moneys received pursuant to the federal Housing
26 Choice Voucher Program set forth in Section 8 of the United States
27 Housing Act of 1937 (42 U.S.C. Sec. 1437f) unless the tenant
28 receiving housing supports would otherwise qualify for assistance
29 under that program.

30 (3) Establishing, operating, and maintaining a regional center
31 pursuant to the United States Citizenship and Immigration Services'
32 EB-5 Investment Program, contained in Section 203(b)(5) of the
33 Immigration and Nationality Act (8 U.S.C. Sec. 1153(b)(5)) and
34 Section 204.6 of Title 8 of the Code of Federal Regulations, in
35 accordance with the requirements of the California Foreign
36 Investment Program (Chapter 4.2 (commencing with Section 6315)
37 of Division 7 of Title 1 of the Government Code). If the housing
38 authority establishes a regional center pursuant to this paragraph,
39 it shall utilize not less than 50 percent of the moneys received

1 pursuant to the EB-5 Investment Program for the purposes of
2 administering a housing supports program.

3 (4) A grant repayment component of the housing supports
4 program, as specified in paragraph (2) of subdivision (a).

5 34652. The Board of State and Community Corrections shall
6 develop a request for proposal process for awarding grants to
7 housing authorities that establish a housing supports program
8 pursuant to this chapter. In awarding grants, the board shall do
9 both of the following:

10 (a) Give preference to housing authorities that demonstrate the
11 ability to attract matching funds or leverage existing funds.

12 (b) Give consideration to the geographic diversity of the housing
13 authorities applying for grants.

14 34653. The California Housing Finance Agency shall develop
15 a request for proposal process for awarding grants to housing
16 authorities that establish a housing supports program pursuant to
17 this chapter and are located in a rural or small county. In awarding
18 grants, the board shall do both of the following:

19 (a) Give preference to housing authorities that demonstrate the
20 ability to attract matching funds or leverage existing funds.

21 (b) Give consideration to the geographic diversity of the housing
22 authorities applying for grants.

23 34654. (a) The Second Chance Fund is hereby created in the
24 State Treasury. The Board of State and Community Corrections
25 shall be the entity responsible for administering this section.
26 Moneys in the fund are hereby continuously appropriated without
27 regard to fiscal year for the purposes of this chapter.

28 (b) (1) The Board of State and Community Corrections shall
29 deposit an amount equal to 33 percent of the moneys disbursed to
30 it pursuant to paragraph (3) of subdivision (a) of Section 7599.2
31 of the Government Code into the Second Chance Fund.

32 (2) The Second Chance Fund may receive moneys from any
33 other federal, state, or local grant, or from any private donation or
34 grant, for the purposes of this chapter.

35 (c) Moneys in the Second Chance Fund shall be disbursed as
36 follows:

37 (1) Ninety percent to the Board of State and Community
38 Corrections for the purposes of administering the grant program
39 described in Section 34652.

1 (2) Ten percent to the California Housing Finance Agency for
2 the purpose administering the grant program described in Section
3 34653.
4 SEC. 2. The Legislature finds and declares that this act furthers
5 the intent of the Safe Neighborhoods and Schools Act enacted by
6 Proposition 47 at the November 4, 2014, general election.

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