Path to a Home

San Luis Obispo Countywide 10 Year Plan to End Homelessness

We envision a future in which the housing and comprehensive services necessary to remain housed are available for all, affording everyone maximum self-sufficiency, and the opportunity to be productive and participating members of our community

HOMELESS SERVICES OVERSIGHT COUNCIL (HSOC)
Full HSOC Meeting Agenda
September 16, 2015 1:00-3:00pm
San Luis Obispo Veterans' Hall, Lounge Room
801 Grand Avenue, San Luis Obispo, CA

1. Call to Order and Introductions of Guests

2. Consent Items:

   2.1 Approval of Minutes

3. Action/Information/Discussion:

   3.1 Presentation on Federal Efforts to End Veteran Homelessness, by Anna Blasco from the National Alliance to End Homelessness

   3.2 Action Item: Recommend that the County Board of Supervisors write a letter in support of AB1335, SB377, and AB35

   3.3 2015 Homeless Point in Time Count Presentation

   3.4 Discussion regarding recent U.S. Department of Justice statement of interest brief regarding anti-camping ordinances

   Attachment 3.4 A – Statement of Interest of the United States in *Bell v. Boise (*Civil Action No. 1:09-cv-540-REB)

   3.5 Fall Planning Retreat – Scheduling and Planning

   3.6 Services Event in Paso Robles

4. Public Comment

5. Committee Reports

6. Future Discussion/Report Items:

7. Next Meeting Date: November 18th, 1-3 p.m.

8. Adjournment

HOMELESS SERVICES OVERSIGHT COUNCIL
ACTION ITEM
September 16, 2015

AGENDA ITEM NUMBER: 3.2

ITEM: Recommend that the Homeless Board of Supervisors write a letter in support of AB1335, SB377, and AB35.

ACTION REQUIRED: Vote to make a formal recommendation to the County Board of Supervisors, asking the Board to write letters to the Governor and state legislators in support of AB1335, SB377, and AB35.

SUMMARY NARRATIVE: The lack of housing affordable to persons with incomes equal to or less than 30% of the Area Median Income contributes to and exacerbates homelessness in San Luis Obispo County. According to the National Low Income Housing Coalition, the mean wage needed to rent a two bedroom apartment in San Luis Obispo County is $25.17 for a person working full time. Additionally, the multi-family housing vacancy rate in San Luis Obispo County is less than 2%.

Local homeless services agencies report homeless clients have difficulty finding affordable rental units, even with Housing Choice Vouchers, which provide a long-term rental subsidies. Transitions Mental Health Association staff have reported that the lack of affordable housing has lengthened the time that it takes to place 50 Now clients into housing. Staff from the Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) Program report that some homeless veterans have had to turn back housing vouchers because they could not find an apartment that would accept the vouchers.

Many other counties in California face similar housing affordability challenges. As a result, state housing advocates have been promoting AB1335, SB377, and AB35. These bills propose to increase the number of affordable housing units constructed in California. Analyses of these bills from the state legislature are provided in Attachments 3.4A (California Assembly Floor Analysis of AB1335), 3.4B (Analysis of SB377 by the California Assembly Committee on Housing and Community Development), and 3.4C (Analysis of AB35 by the California State Senate Rules Committee Office of Senate Floor Analyses).

AB35 passed out the of the State Assembly in May 2015 by a vote of 76-0 and as of September 3, 2015, has passed unanimously out of three State Senate committees and has been referred to the Senate Rules Committee. SB377 is the companion bill to AB35. Should those bills pass out of the legislature, they will be sent to the Governor's office.

AB1335 passed out of the State Assembly in June by a vote of 48 ayes and 26 noes with 6 members abstaining or not voting. AB1335 has been endorsed by a number of statewide organizations including the California Association of Realtors, the California Apartment Association, the California Building Industry Association, and Housing California.

This motion proposes that the Board of Supervisors be asked to write a letter to the Governor and the appropriate state legislators in support of the three bills.

At the August HSOC Housing Committee meeting, the Committee voted unanimously to recommend that the full HSOC ask the Board of Supervisors to write a letter of support for these three bills.

BUDGET/FINANCIAL IMPACT

No current fiscal impact is anticipated from this HSOC recommendation.

ASSEMBLY THIRD READING
AB 1335 (Atkins)
As Amended June 3, 2015
2/3 vote. Urgency

Committee	Votes	Ayes	Noes
Housing	5-1	Chau, Burke, Chiu, Lopez, Mullin	Beth Gaines
Appropriations	12-4	Gomez, Bonta, Calderon, Daly, Eggman, Eduardo Garcia, Gordon, Holden, Quirk, Rendon, Weber, Wood	Chang, Gallagher, Jones, Wagner

SUMMARY: Establishes the Building Homes and Jobs Act of 2015 (the Act) to provide funding for affordable housing. Specifically, **this bill**:

1) Includes legislative findings.

2) Defines "Department" to mean the Department of Housing and Community Development (HCD).

3) Defines "Governing Board" to mean the Building Homes and Jobs Trust Fund Governing Board.

4) Establishes the Building Homes and Jobs Trust Fund (the Trust Fund) within the State Treasury.

5) Beginning January 1, 2016, imposes a $75 fee on every real estate instrument, paper, or notice that is required or permitted by law per each single transaction per parcel of real property, excluding real estate instruments, papers, or notices recorded in connection with a transfer subject to a documentary transfer tax.

6) Defines real estate instrument, paper, or notice as a document relating to real property, including but not limited to the following: deed, grant deed, trustee's deed, deed of trust, conveyance, quit claim deed, fictitious deed of trust, assignment of deed of trust, request for notice of default, abstract of judgment, subordination agreement, declaration of homestead, abandonment of homestead, notice of default, release or discharge, easement, notice of trustee sale, notice of completion, Uniform Commerical Code financing statement, mechanic's lien maps, and covenants, conditions, and restrictions.

7) Requires the fee, minus any administrative cost to the county recorder for collection, to be transferred quarterly to HCD and deposited into the Trust Fund.

8) Requires any moneys appropriated by the Legislature to be deposited into the Trust Fund as well as any other moneys made available to HCD for the purposes of the Trust Fund from any other sources.

9) Requires a county to pay HCD any interest, at the legal rate, on any funds that are not transferred within 30 days of the end of a quarter.

10) Requires any interest or other increment resulting from the investment of money in the Trust Fund to be deposited into the Trust Fund.

11) Prohibits the transfer of any money in the Fund to any other fund except for the Surplus Money Investment Fund.

12) Requires 20% of the money deposited into the Trust Fund to be used for affordable owner-occupied workforce housing.

13) Requires 10% of the money deposited into the Trust Fund to be used to address affordable homeownership and rental housing opportunities for agricultural workers and their families.

14) Allows the remaining 80% of money in the Trust Fund, upon appropriation by the Legislature, to be expended for the following purposes:

    a) Development, acquisition, rehabilitation, and preservation of housing affordable to extremely low-, very low-, low- and moderate-income households including necessary operating subsidies;

    b) Affordable rental and ownership housing that meets the needs of a growing workforce up to 120% of area median income (AMI);

    c) Matching portions of funds placed into local or regional housing trust funds;

    d) Matching portions of funds in the Low- and Moderate-Income Housing Asset Funds of former redevelopment agencies retained by successor agencies;

    e) Capitalized reserves for services connected to the creation of new permanent supportive housing, including, but not limited to, developments funded through the Veterans Housing and Homelessness Prevention Program;

    f) Emergency shelters, transitional housing, and rapid re-housing services;

    g) Accessibility modifications;

    h) Efforts to acquire and rehabilitate foreclosed, vacant, or blighted homes;

    i) Homeownership opportunities, including but not limited to down payment assistance; and

15) Allows a state or local entity that receives an appropriation from the Trust Fund to use up to 5% for administrative costs.

16) Provides that if a local government does not expend the moneys allocated to it within five years of the allocation than those moneys shall revert back to the Trust Fund.

17) Establishes the Governing Board made up of the following members:

    a) A representative from California Housing Finance Agency (CalHFA);

    b) A representative from HCD;

c) A representative from the Treasurer's Office;

d) No fewer than two real estate licensees one from northern California and one from southern California with not less than 10 years of real estate experience and membership in a real estate trade organization with not less than 20,000 licensees;

e) A local government representative from northern California, appointed by the Governor;

f) A local government representative from southern California, appointed by the Governor;

g) A representative from the home building industry from northern California, appointed by the Governor;

h) A representative from the home building industry from southern California, appointed by the Governor;

i) Six public members including:

   i) One nonprofit affordable housing developer, appointed by the Speaker of the Assembly;

   ii) One nonprofit affordable housing developer, appointed by the President Pro Tempore of the Senate;

   iii) One for-profit affordable housing developer, appointed by the Speaker of the Assembly;

   iv) One for-profit affordable housing developer, appointed by the President Pro Tempore of the Senate;

   v) Two additional members, one appointed by the Speaker of the Assembly and the other by the President Pro Tempore of the Senate, that represent or has experience in one or more of the following areas:

      (1) Private sector lending;

      (2) For-profit affordable housing development;

      (3) Nonprofit affordable housing development;

      (4) Working with special needs populations, including persons experiencing homelessness;

      (5) Architecture;

      (6) Housing development consultation; and

      (7) Housing issues related academia.

18) Requires the overall public membership of the Governing Board to contribute to a balance among geographic areas and between rural and urban interests.

19) Gives the Governing Board the authority to review and approve recommendations from HCD for all funds distributed from the Trust Fund.

20) Requires HCD, in consultation with the CalHFA, the California Tax Credit Allocation Committee, and the California Debt Limit Allocation Committee, to develop a Building Homes and Jobs Investment Strategy (investment strategy).

21) Requires HCD to submit the first investment strategy to the Legislature as part of the Governor's May Revise of the Budget Act in 2015-16 and every five years thereafter as part of the Budget Act beginning in 2020-21.

22) Requires the investment strategy to do all of the following:

  a) Identify the statewide needs, goals, objectives, and outcomes for housing for a five-year time period;

  b) Requires the goals to include targets of the total number of affordable homes created and preserved with the funds;

  c) Provides for a geographically balanced distribution of funds including that 50% of monies in the Trust Fund must be allocated directly to local governments;

  d) Emphasize investments that serve households that are at or below 60% of AMI; and

  e) Meet the following minimum objectives:

    i) Encourage economic development and job creation by meeting the housing needs of a growing workforce up to 120% of AMI;

    ii) Identify opportunities to coordinate among state departments and agencies to achieve greater efficiencies; increase the amount of federal investment in housing production, services, and operating costs; and promote energy efficiency in housing produced;

    iii) Incentivize the use and coordination of nontraditional funding sources, including philanthropic funds, local realignment funds, non-housing tax increment, the federal Patient Protection and Affordable Care Act funds, and other resources; and

    iv) Incentivize innovative approaches that produce savings to local and state services by reducing the instability of housing for frequent high-cost users of institutions such as hospitals, jails, detoxification facilities, psychiatric hospitals, and emergency shelters.

23) Requires local governments to comply with the following in order to receive a direct allocation from the Trust fund:

  a) Submit a plan to HCD detailing how the local government will allocate funding consistent with the allowable uses listed in the bill; and

  b) Have a compliant housing element with the state, submit the annual housing element report required by Government Code Section 65400, and submit an annual report to HCD detailing the use of the allocated funds.

24) Requires HCD to hold at least four public workshops in different regions of the state to inform development of the investment strategy.

25) Requires the Governing Board to review and advise HCD regarding the investment strategy prior to its submission to the Legislature.

26) Requires expenditure requests contained in the Governor's proposed budget to be consistent with the investment strategy.

27) Requires moneys in the Trust Fund to be appropriated through the annual budget act.

28) Requires the State Auditor to conduct periodic audits to determine if HCD is awarding the annual allocation to individual programs in a timely manner and consistent with the Act.

29) Requires HCD to provide the following information in its annual report to the Legislature:

   a) How funds were allocated in the prior year;

   b) Efforts to promote geographic balance when distributing the funds;

   c) An assessment of the impact of the Trust Fund on job creation and the economy;

   d) The effectiveness of programs directed toward persons who are homeless or at risk of homelessness at keeping those persons housed; and

   e) A determination as to whether any moneys derived from the recording fee are being allocated by the state for any purpose not authorized by the Act and this information must be provided to the county recorders.

30) Provides that if HCD determines that any moneys collected from the recording fee are being allocated by the state for any purpose not authorized by the Act, the county recorders will immediately cease collection of the fees and only resume collection of the recording fee after receiving notice that the fees are being allocated by the state for the purposes of the Act.

31) Declares the Legislature's intent to enact legislation to create a Secretary of Housing to oversee all activities related to housing and that all professional entities that play a role in the housing market would be authorized to be incorporated in order to have a clearer and more unified approach to housing in the state.

32) Includes an urgency clause.

FISCAL EFFECT: According to the Assembly Appropriations Committee

1) On-going recording fee revenues in the range of $300 and $500 million annually (Building Homes and Jobs Trust Fund).

2) Onetime costs to HCD of approximately $230,000 (General Fund (GF)), for three positions for six months, to develop the investment strategy, including holding public workshops, forming an advisory committee, and establishing the Governing Board.

3) On-going, intermittent costs of approximately $200,000 (GF) for consultations necessary for the required five-year updates to the investment strategy.

COMMENTS:

Background: California is facing a housing affordability crisis on many fronts. According to the Public Policy Institute of California (PPIC), as of February 2015, roughly 36% of mortgaged homeowners and approximately 48% of all renters are spending more than one-third of their household incomes on housing. California continues to have the second lowest homeownership rate in the nation and the Los Angeles metropolitan area is now a majority renter region. In fact, five of the eight lowest homeownership rates in the nation are in California metropolitan areas.

California has 12% of the United States population, but 20% of its homeless population – 63% of these homeless Californians are unsheltered (the highest rate in the nation). At any given time, 134,000 Californians are homeless. California has 24% of the nation's homeless veterans and one-third of the nation's chronically homeless. The state also has the largest numbers of unaccompanied homeless children and youth, with 30% of the national total.

Purpose of this bill: According to the author, "increased and ongoing funding for affordable housing is critical to stabilize the state's housing development and construction marketplace. If developers know that there is a sustainable source of funding available, they will take on the risk that comes with development – and create a reliable pipeline of well-paying construction jobs in the process. The Building Homes and Jobs Act will utilize a pay as you go approach and generate hundreds of millions of dollars annually for affordable housing through a $75 fee on real estate recorded documents, excluding those documents associated with home sales. Funds generated will leverage an additional $2 to $3 billion in federal, local, and bank investment."

Previous state funding for housing: Historically, the state has invested in low- and moderate-income housing primarily by providing funding for construction. Because of the high cost of land and construction and the subsidy needed to keep housing affordable to residents, affordable housing is expensive to build. Developers typically use multiple sources of financing, including voter-approved housing bonds, state and federal low-income housing tax credits, private bank financing, and local matching dollars.

Voter-approved bonds have been an important source of funding to support the construction of affordable housing. Proposition 46 of 2002 and Proposition 1C of 2006 together provided $4.95 billion for affordable housing. These funds financed the construction, rehabilitation, and preservation of 57,220 affordable apartments, including 2,500 supportive homes for people experiencing homelessness, and over 11,600 shelter spaces. In addition, these funds have helped 57,290 families become or remain homeowners. Nearly all of these funds have been awarded.

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

California has reduced its funding for the development and preservation of affordable homes by 79% – from approximately $1.7 billion a year to nearly nothing. According to the California Housing

Partnership, California has a shortfall of 1,465,884 affordable units for extremely low- and very-low income households.

Funding mechanism: Although an important source of funding in the past for affordable housing, voter-approved bonds are not a permanent or reliable source. To provide for a stable and permanent source of funding for affordable housing, several states have set up state housing trust funds funded by a document recording fee. This bill would establish the Building Homes and Jobs Act, to be funded by a $75 fee on recorded real estate documents, excluding those recorded in connection with the sale of a property. Estimates suggest that the recording fee would generate an average between $300 and $500 million a year for affordable housing. This bill caps the amount of fees that could be charged per single transaction to $225. This means that an individual will only be charged on three documents recorded in a transaction. The fee would be charged on a "real estate instrument, paper, or notice." This bill includes a list of possible documents on which the fee could be charged, however, this is not an exhaustive list and there may be others.

How the Trust Fund can be used: This bill authorizes funds in the Trust Fund to be appropriated for a variety of uses. Twenty percent of the Trust Fund is set aside for affordable homeownership activities. The remaining 80% can be used for the development, acquisition, rehabilitation, and preservation of low- and moderate-income housing; affordable rental and ownership housing that meets the needs of a growing workforce up to 120% of AMI, match funds in local housing trust funds and funds in the Low and Moderate-Income Housing Asset funds of former redevelopment agencies; capitalize the reserves for services for new permanent supportive housing including developments funded through the Veterans Housing and Homeless Prevention Program; emergency shelters, transitional housing, and rapid rehousing; accessibility modifications; efforts to acquire and rehabilitate foreclosed and vacant homes, and for homeownership opportunities including down payment assistance. Unlike voter-approved bond funds, the Trust Fund could be used to support services and operating expenses for supportive and transitional housing.

Investment strategy: This bill gives the Legislature the authority to appropriate funds that are deposited into the Trust Fund. In order to direct that investment through an informed and strategic process, the bill requires HCD, in consultation with other relevant state housing agencies and committees, to develop an investment strategy for the Trust Fund. HCD would be required to submit the first investment strategy to the Legislature as part of the May revision to the Governor's proposed budget in 2015-16. Every five years after, beginning in 2020-21, HCD would be required to revise the investment strategy. To inform the investment strategy, HCD must hold four public hearings throughout the state. HCD is already required to develop a Statewide Housing Plan every four years to identify the statewide needs, goals, objectives, and outcomes for housing, which would inform the investment strategy.

In preparing the investment strategy, HCD would be required to identify the statewide needs and goals for housing for the next five years and to attach targets of the total number of affordable homes created and preserved with the funds. HCD would also be required to promote a geographically balanced distribution of the funds, including some consideration of providing funds directly to local governments. In addition, the investment strategy would have to emphasize investments in housing affordable to households at or below 60% of AMI, generally referred to as low-, very low- and extremely low-income households. This bill also sets out minimum objectives that must be met in the investment strategy.

Local funding allocation: This bill would require a geographically balanced distribution of 50% of the Trust Fund directly to local governments. In order to qualify, local governments would need to provide HCD with a plan detailing how they would spend the funds consistent with the allowable uses provided for in the bill. Local governments would have to have a compliant housing element and have submitted an annual report on their progress in meeting their regional housing needs to qualify for funding. They would also be required to provide HCD with ongoing tracking of the use of the funds. If a local government does not spend their allocation within five years then those funds would revert back to the Trust Fund.

Related Legislation: Last session, SB 391 (DeSaulnier) of the 2013-14 Regular Session, would have imposed a $75 fee on every real estate instrument, paper, or notice that is required or permitted by law, excluding real estate instruments, papers, or notices recorded in connection with a transfer subject to a documentary transfer tax. The bill was held in Assembly Appropriations Committee.

This bill differs from SB 391 in the following ways:

1) Sets a cap of $225 on fees charged on a per parcel per transaction basis;

2) Creates a 20% set aside of funding for homeownership programs;

3) Creates a 10% set aside for affordable homeownership and rental housing for agricultural workers and their families.

4) Requires 50% of funding go directly to local governments provided that the local government provide HCD with a plan for how they will spend the funds consistent with the uses allowed in the bill and meet other reporting requirements.

5) Requires the creation of a Governing Board to review and approve recommendations from HCD for all funds distributed from the Trust Fund and to advise and approve the Investment Strategy that HCD must develop for the Trust Fund.

6) Directs the county recorders to stop collecting the fee if HCD determines that the funds are not being used to support the purposes authorized by the Building Homes and Jobs Act; and

7) Declares the intent of the Legislature to create a Secretary of Housing to oversee all of the housing activities related to the state and to have a clearer and more unified approach to housing in the state.

Analysis Prepared by: Lisa Engel / H. & C.D. / (916) 319-2085 FN: 0000894

Date of Hearing: July 1, 2015

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT
Ed Chau, Chair
SB 377 (Beall) – As Amended June 1, 2015

SENATE VOTE: 38-1

SUBJECT: Income taxes: insurance taxes: credits: low-income housing: sale of credit

SUMMARY: Allows a taxpayer who receives an allocation of state low- income housing tax credits (LIHTC) from the California Tax Credit Allocation Committee (TCAC) to sell all or any portion of the credit to one or more unrelated parties for each taxable year in which the credit is allowed for not less than 80% of the amount of the credit. Specifically, **this bill**:

1) Allows a taxpayer who receives an allocation of state LIHTC to sell all or any portion of the credit to one or more unrelated parties for each taxable year in which the credit is allowed for not less than 80% of the amount of the credit.

2) Provides that the taxpayer that originally received the credit must report to TCAC within 10 days of the sale of the credit to the social security or other taxpayer identification number of the unrelated party to whom the credit was sold, the face amount of the credit sold, and the amount of consideration received by the taxpayer for the sale of the credit.

3) Requires TCAC to annually provide the Franchise Tax Board with a list of the taxpayers that have sold or purchased a credit.

4) Allows a credit to be sold to more than one unrelated party but cannot be resold by the unrelated party to another taxpayer or other party.

5) Provides that the taxpayer that originally received the credit that is sold is solely liable for all obligations and liabilities imposed on the taxpayer with respect to the credit and not to the party to whom the credit was sold or subsequently transferred.

6) Allows the party that purchases a credit to utilize the credit in the same manner in which the taxpayer that originally received the credit could use it.

7) Provides that a taxpayer cannot sell a credit if the taxpayer was allowed the credit on any tax return of the taxpayer.

8) Allows a taxpayer with the approval of TCAC to rescind the election to sell all or any portion of the credit if the consideration of the credit falls below 80% of the amount of the credit after the TCAC reservation.

9) Allows the Franchise Tax Board to prescribe rules, guidelines, or procedures necessary or appropriate to implement the sale of credits by taxpayers who receives a credit, to an unrelated party.

10) Removes the sunset on a provision that allows state credits to be allocated to investors in a manner that is different than the proportional division of the federal credit.

EXISTING LAW:

1) Allows a state tax credit for costs related to construction, rehabilitation, or acquisition of low-income housing. This credit, which mirrors a federal LIHTC, may be used by taxpayers to offset the tax under the Personal Income Tax (PIT), the Corporation Tax (CT), and the Insurance Tax (IT) laws. (Revenue and Taxation Code Sections 12206, 17058, and 23610.5)

2) Requires the California Tax Credit Allocation Committee (TCAC) to allocate the California LIHTC each year based upon qualification of the applicant and proposed project. The California LIHTC is available only to projects that received an allocation of the federal LIHTC. (Revenue and Taxation Code Sections 12206, 17058, and 23610.5)

3) Limits the annual aggregate amount of the state LIHTC to $70 million, as adjusted for an increase in the California consumer price index from 2002, plus any unused LIHTC for the preceding calendar year and any LIHTC returned in the calendar year. The California LIHTC awarded may be claimed as a credit against tax over a four-year period. (Revenue and Taxation Code Sections 12206, 17058, and 23610.5)

4) Requires TCAC to certify the amount of tax credit amount allocated. In the case of a partnership or an S Corporation, a copy of the certificate is provided to each taxpayer. The taxpayer is required, upon request, to provide a copy of the certificate to the Franchise Tax Board (FTB). (Revenue and Taxation Code Sections 12206, 17058, and 23610.5)

5) Allows any unused credit to be carried forward until the credit is exhausted. (Revenue and Taxation Code Sections 12206, 17058, and 23610.5)

FISCAL EFFECT: According to the Senate Appropriations Committee, the Franchise Tax Board (FTB) estimates that the bill would lead to General Fund revenue gains of $170,000 in 2015-16, and $450,000 in 2016-17. A General Fund revenue loss of $250,000 would occur in 2017-18.

FTB would incur increased annual administrative costs in the low hundreds of thousands of dollars (General Fund). To the extent that the California Tax Credit Allocation Committee (CTCAC) requires additional resources as a result of the bill, fee revenue would likely be used.

COMMENTS:

Background: In 1986, the federal government authorized the LIHTC program to enable affordable housing developers to raise private capital through the sale of tax credits to investors. Two types of federal tax credits are available and are generally referred to as nine percent (9%) and four percent (4%) credits. In 1987, the legislature authorized a state LIHTC program to augment the federal tax credit program. State tax credits can only be awarded to projects that also receive federal LIHTCs, except for farmworker housing projects, which can receive state credits without federal credits. Investors can claim the state credit over four years. TCAC has authority for approximately $103 million in state tax credits each year but has as many as $25 million in credits remaining at the end of the year due to lack of demand. Projects that receive either state or federal tax credits are required to maintain the housing at affordable levels for 55 years.

TCAC administers the programs and awards credits to qualified developers who do not have sufficient tax liability to use the credits themselves so they sell those credits to private investors who use the credits to reduce their federal or state tax liability. The developer in turn invests the capital into the affordable housing project. Under current law, the investors must become owners of the property to claim the credits.

SB 377 would allow a developer who receives an award of state LIHTCs to sell the credits to an investor without requiring the investor to be part of the ownership entity for the project, typically a limited liability partnership. A developer could sell the tax credit to one or more unrelated parties if they received at least 80% of the value of the credit. The legislature has permitted taxpayers to sell tax credits in some limited cases. Taxpayers with motion picture production credits from independent films can sell the credit to unrelated investors, which can be a key financing tool for filmmakers to raise capital to produce a motion picture. In addition, corporate taxpayers can share credits within their unitary group.

SB 585 (Lowenthal) Statutes of 2008, Chapter 382 allowed the partnership agreement to allocate state tax credits to investors in a manner that differs from the proportional division of the federal credit. This authorization is set to sunset on January 1, 2016. SB 377 would delete the sunset and allow the authorization to continue indefinitely. CTAC reports that this ability has been used several times and allows much more flexibility for insurance companies and banks to invest in low-income housing drawing additional investors and capital into the state.

<u>Affordable Housing Shortage</u>: The Public Policy Institute of California has identified that more than 36% of mortgaged homeowners and 47% of all renters are spending more than 35% of their household incomes on housing. In California we have about 134,000 homeless people living in our streets, parks, alleys, and freeway off-ramps. At the same time vacancy rates are low and rents are increasing. Out of 5.1 million renters in California, 60% are in lower-income households, while one in four renter households are in the extremely low-income. One in two renters in California pay in excess of 30% of their income towards housing and one in four renters pay half of their income towards housing.

The funding sources to support construction of affordable housing have drastically diminished over the last five years. The dissolution of redevelopment agencies eliminated up to $1 billion in funding that was available for affordable housing construction. The last statewide housing bond was approved in 2008 and the proceeds of those bonds have been exhausted.

State and federal LIHTC represent one of the few remaining sources of funding for affordable housing construction in the state. Currently, investors receive approximately .65 cents on the dollar for state low-income housing tax credits.

<u>Purpose of the bill</u>: According to the author, "SB 377 seeks to increase the impact of the state's existing low-income housing tax credit (LIHTC) with no fiscal impact to the state by structuring the credits in a way that is not subject to federal taxation. LIHTCs are awarded to developers of qualified projects and are the primary source of capital to construct and rehabilitate thousands of affordable housing units each year. Non-profit affordable housing developers, who do not have the required tax liability on their own, must seek out private equity investments for their

developments. Under current law, investors must become owners of the property to claim the credits against their state tax liabilities. Due to the fact that state taxes are deductible from federal taxes, a reduction in the state tax liability increases the federal tax liability for the investor. With the federal corporate tax rate at 35%, investors will generally invest no more than 65 cents for each dollar of state credit. SB 377 addresses this issue by allowing a developer who is awarded state credits to sell the credits to an investor without admitting the investor to the ownership partnership and thereby increasing the value of the credit, closer to one dollar for each dollar of credit, to the investor.

SB 377 will significantly increase the value of state LIHTCs and therefore the public benefit because it will largely eliminate the federal tax impacts associated with investors claiming state credits. It will also greatly increase the efficiency of the program and allow many more affordable housing units to be built for the same level of state tax expenditure. In other words, this bill gives the state a bigger bang for its buck."

Related legislation:

AB 35 (Chiu) (2015): Would modify the existing LIHTC program and increases the aggregate credit amount that may be annually allocated to low-income housing projects by $300 million for the 2015 calendar year and each calendar year thereafter. This bill is pending hearing in the Senate Governance and Finance Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California State Treasurer John Chiang (Co-Sponsor)
California Housing Partnership Corporation (Co-Sponsor)
Access to Independence
Arthur J. Gallagher & Co.
Burbank Housing Development Corporation
Burbank Housing Management Corporation
C&C Development Co.
California Association of Housing Authorities (CAHA)
California Association of Local Housing Finance Agencies (CAL-ALHFA)
California Catholic Conference, Inc.
California Coalition for Rural Housing (CCRH)
California Commission on Aging (CCoA)
California Housing Consortium (CHC)
California Housing Partnership Corporation
California Institute for Rural Studies
California Land Title Association
California Reinvestment Coalition
Center for Sustainable Neighborhoods
Charities Housing
Chinatown Community Development Center
Christian Church Homes (CCH)
City Heights Community Development Corporation
City of Morgan Hill
Community Action North Bay (CAN-B)

Community Economics Inc.
Community Housing Partnership
Creswell Consulting
EAH Housing
East Bay Asian Local Development Corporation
East Bay Housing Organizations (EBHO)
Eden Housing
ElderFocus
First Community Housing
Housing California
Housing Leadership Council of San Mateo County
Integrity Housing
Irvine Community Land Trust
Leadership Council for Justice & Accountability
LINC Housing
MidPen Housing Corporation
Mogavero Notestine Associates
Monterey County Supervisor Jane Parker
Mutual Housing California
Non-Profit Housing Association of Northern California (NPH)
Northern California Community Loan Fund
Paulette Taggart Architects
Peoples' Self-Help Housing
Public Interest Law Project
Rural Communities Housing Development Corporation (RCHDC)
Rural Smart Growth Task Force
San Diego Habitat for Humanity
San Diego Housing Federation
San Diego-Imperial Counties Labor Council
San Luis Obispo County Housing Trust Fund
Satellite Affordable Housing Associates (SAHA)
Self-Help Enterprises
Sierra Business Council
Sonoma County Task Force for the Homeless
Tenderloin Neighborhood Development Corporation
Terrex Development Corp.
The Hampstead Companies
Wakeland Housing and Development Corporation
ZO Dwellings

Opposition

None on file

Analysis Prepared by: Lisa Engel / H. & C.D. / (916) 319-2085

BILL ANALYSIS

SENATE RULES COMMITTEE	AB 35
Office of Senate Floor Analyses	
(916) 651-1520 Fax: (916) 327-4478	

THIRD READING

Bill No: AB 35
Author: Chiu (D) and Atkins (D), et al.
Amended: 9/3/15 in Senate
Vote: 21

SENATE GOVERNANCE & FIN. COMMITTEE: 6-0, 7/1/15
AYES: Hertzberg, Nguyen, Beall, Hernandez, Lara, Pavley
NO VOTE RECORDED: Moorlach

SENATE TRANS. & HOUSING COMMITTEE: 10-0, 7/14/15
AYES: Beall, Cannella, Allen, Bates, Gaines, Leyva, McGuire, Mendoza, Roth, Wieckowski
NO VOTE RECORDED: Galgiani

SENATE APPROPRIATIONS COMMITTEE: 6-0, 8/27/15
AYES: Lara, Bates, Beall, Hill, Leyva, Mendoza
NO VOTE RECORDED: Nielsen

ASSEMBLY FLOOR: 78-0, 6/4/15 - See last page for vote

SUBJECT: Income taxes: credits: low-income housing: allocation increase

SOURCE: Author

DIGEST: This bill increases the amount of low-income housing tax credits (LIHTCs) the California Tax Credit Allocation Commission (CTCAC) can allocate for low-income housing; revises percentages; and establishes new categories.

Senate Floor Amendments of 9/3/15 address conflicts with SB 377 (Beall), require the State Treasurer to report to the Legislature describing the increase, if any, in the use of 4% credits on or before January 1, 2020; and make technical and

conforming changes.

ANALYSIS:

Existing law:

1)Allows tax credits against the Personal Income Tax, Corporation Tax, and Gross Premiums Tax for investors who provide project capital to low-income rental housing projects to complement credits allowed by federal law. Credits are computed in modified conformity with federal law, but can only be claimed in fixed percentages equal to 30% of qualified basis over four years. Under the state credit, projects must remain affordable for 30 years.

2)Establishes CTCAC, comprised of the State Treasurer, the State Controller, the Director of Finance, and three non-voting members, to allocate both federal and state credits.

a) CTCAC can award federal credits to a project, or state and federal credits together, but cannot solely award state credits to a project except for farmworker housing.

b) CTCAC can annually allocate federal 9% credits to projects up to a cap set by federal law, currently $2.30 per capita for each state, but can allocate federal 4% credits without limit.

c) CTCAC can annually allocate state credits to federal 9% credit projects up to an amount equal to $70 million each year, adjusted for inflation since the Legislature initially set the $70 million figure in statute in 2001, plus any unallocated credits from previous years.

d) CTCAC can allocate credits for 4% credit projects for federally subsidized projects, but can only do some out of the same authorized amount as the 9% credits.

3)Prohibits CTCAC from allocating state credits to projects in Qualified Census Tracts (QCTs) and Difficult to Develop Areas (DDAs) unless it swaps out federal credits willing to forgo the "basis boost," as the maximum basis for these projects is

130%, not 100% for other projects.

a) QCTs are designated by the Secretary of the United States Department of Housing and Urban Development (HUD) in which either 50% or more of the households have an income that is less than 60% of the area median gross income or has a poverty rate of 25%.

b) The Secretary of HUD also draws DDAs using a ratio of construction, land, and utility costs to area median gross income.

This bill:

1) Increases credit percentages for new buildings that are federally subsidized, and not in QCTs or DDAs, from the current 4% of qualified basis over the first three years, and 3% in the fourth year, for a total of 15%, to 15% for each of the first three years, and 5% in the fourth year, for a total of 50%.

2) Allows CTCAC to allocate state credits for new or existing buildings in QCTs and DDAs up to 50% of basis, but must replace federal credits with state ones when doing so.

3) Establishes a new, targeted category for existing buildings at least 15 years old that are eligible for a credit of 30%

in the first three years, and 5% in the fourth, for a total of 95%, if:

a) The project serves households of very-low and extremely-low income such that its average maximum household income is not more than 45% of the area median gross income.

b) The project is subject to a regulatory agreement restricting the average maximum household income to the above standard for 55 years.

c) The project would have insufficient credits under current categories to complete substantial rehabilitation.

d) The credit allocation results in the completion of the project.

4) Authorizes CTCAC to allocate up to $300 million in credits in the 2016-17 fiscal year, plus $300 million each fiscal year thereafter plus an inflation adjustment, for projects under the new category, or for projects currently only eligible for the 4% credit.

5) Allows CTCAC to allocate credits to developers eligible for the 9% credit from the current $75 million authorization, but developers of these projects are ineligible for allocations from the new $300 million.

6) Imports current definitions in the Health and Safety Code for CTCAC to sue when determining "low-income" and "extremely low-income."

7) Applies its changes to the Gross Premiums Tax, Personal Income Tax, and Corporation Tax.

8) Requires the State Treasurer to report to the Legislature describing the increase, if any, in the use of 4% credits on or before January 1, 2020

9) Makes conforming and grammatical changes.

10)Contains double-jointing provisions resolving conflict with SB 377 (Beall).

Background

The LIHTC induces investment in low-income housing by providing a tax shelter for investors for allocating capital to an asset class with a relatively poor rate of return. In return for providing the tax shelter, the state gets more low-income housing than it otherwise would have. Low-income housing projects face many barriers in California: high costs of land, labor, and capital; resistance from local residents and state and local laws and policies protecting the environment, among others. Because the credit is capped and allocated, CTCAC awards tax credits to projects on a competitive process based on an evaluation of the most effective use of the tax credits. This program is much different than other tax credits, where any individual or businesses can qualify for a credit by virtue of incurring specific costs such as research and development or hiring specific individuals. Currently, housing sponsors apply to CTCAC for credits, and if granted, then form partnership agreements with investors, who provide capital to fund the housing construction in exchange for the allocated tax credits. The tax credits exceed the value of the investment because demand for the tax credits does not meet supply. For example, a partnership agreement may allocate 100% of tax credits to an investor that provides 75% of the necessary project funding; the value of the discounted tax credits is sufficient for investors to participate. Investors claim the credit until exhausted, then walk away from the partnership, and deduct the amount paid to the partnership in exchange for the tax credits as a capital loss.

The Internal Revenue Service may recapture federal credits; however, the Franchise Tax Board cannot. Instead, CTCAC maintains an enforcement staff to monitor affordability, and a party can bring suit in Superior Court to enforce the project's affordability.

Comments

Federal law allows CTCAC to allocate 9% credit for projects that are not "federally subsidized," but 4% for ones that are. Developers that obtain federal 9% credits and combine them with state credits generally have a sufficient subsidy to construct a low-income housing project; however, CTCAC can only allocated these credits up to a cap set by federal law. While the 4% credits aren't subject to a similar cap, they often do not have the value necessary to generate sufficient project capital for a project to pencil out in a post-redevelopment world. AB 35 seeks to fill this gap by increasing the value of state credits to hopefully secure more interest in 4% projects to generate sufficient subsidy amounts to construct projects. Another vital component is the federal subsidy, which isn't a direct monetary subsidy, but instead the issuance of mortgage revenue bonds, where the subsidy is the federal and state income tax exclusion for interest payments. Local housing authorities apply to the

California Debt Limit Allocation Committee (CDLAC) for an allocation of tax-exempt private activity bond ceiling. If approved, the local housing authority sells the bonds, loans the proceeds to housing developers, who combine these funds with capital raised from state and federal LIHTCs to construct the project, and then repay the bonds out of rents. Last year, CDLAC allocated $1.25 billion in ceiling for multifamily projects, an amount that should increase if AB 35 is enacted.

Related Legislation

SB 377 (Beall, 2015) allows developers receiving LIHTC credit reservations to sell credits to unrelated parties under specified conditions. The bill is pending in the Assembly Appropriations Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.:YesLocal: No

According to Senate Appropriations Committee, this bill will result in General Fund revenue losses of $44 million in 2015-16, $150 million in 2016-17, and $180 million in fiscal year 2017-18. CTCAC would incur first-year administrative costs of $246,000, increasing potentially in the out years.

SUPPORT: (Verified9/4/15)

California State Controller Betty T. Yee
California State Treasurer John Chiang
A Community of Friends
Adobe Community
Affirmed Housing
Affordable Housing Association-Pacific Southwest
Affordable Housing, Inc.
Alameda County Development Disabilities Council
Alameda County Housing Authority
Alpha Construction Co., Inc.
American Association of Retired Persons
American Planning Association, California Chapter
Amy Hiestand Consulting

Angelus Plaza, a Retirement Housing Foundation
Aspira Net
Association of Bay Area Governments
Bay Area Council
Be.grou
Beacon Communities/ABHOW
Bridge Housing
Burbank Housing Corporation
Burbank Housing Development Corporation
Cabrillo Economic Development Corporation
California Alliance for Retired Americans
California Apartment Association
California Association of Housing Authorities
California Association of Local Housing Finance Agencies
California Bankers Association
California Building Industry Association
California Center for Cooperative Development
California Chamber of Commerce
California Coalition for Rural Housing
California Coalition for Youth
California Community Loan Fund
California Council for Affordable Housing
California Council of Community Mental Health Agencies
California Housing Consortium
California Housing Partnership Corporation
California Infill Builders Federation

California Institute for Rural Studies
California Partnership to End Domestic Violence
California Political Consulting Group
California Special Districts Association
California State Association of Counties
Capitol Area Development Authority
Christian Church Homes
Christian Church Pacific Southwestern Region
Cities Association of Santa Clara County
City and County of San Francisco
City of Alameda
City of Banning
City of Berkeley
City of Burbank
City of Camarillo
City of Chowchilla

City of Concord
City of Culver City
City of Danville
City of Dublin
City of El Centro
City of Emeryville
City of Eureka
City of Fairfield
City of Fremont
City of Glendale
City of Lafayette
City of Lakeport
City of Lakewood
City of Livermore
City of Lodi
City of Los Angeles
City of Merced
City of Morgan Hill
City of Napa
City of Rocklin
City of Sacramento
City of San Carlos
City of San Diego
City of San Jose
City of Santa Barbara
City of Santa Monica
City of Santa Rosa
City of South San Francisco
City of Taft
City of Thousand Oaks
City of Torrance
City of Tulare
City of Turlock
City of Union City
City of Vista
City of West Hollywood
Community Action North Bay
Community Corporation of Santa Monica
Community Economics, Inc.
Community Housing Opportunities Corporation
Community Housing Partnership
Community Housing Works

Community Land Trust Association
Community Leadership Association
Community Overcoming Relationship Abuse
Contra Costa Interfaith Housing
Core Affordable Housing
Corporation for Supportive Housing
County of Santa Clara
County Welfare Directors Association
Disability Rights California
Domus Development
Downtown Women's Center
EAH Housing
East Bay Developmental Disabilities Legislative Coalition
East Bay Legislative Coalition
Eden Housing
Episcopal Diocese of Los Angeles
First Community Housing
Goldfarb & Lipman LLP
Habitat for Humanity
HCEB
Highridge Costa Housing Partners, LLC
Highridge Costa Investors, LLC
HIP Housing, Inc.
HKIT Architects
Hollywood Adventist Church
Hope Home Ownership for Personal Empowerment, LLC
Housing Authority, City of San Buenaventura
Housing Authority, City of Santa Barbara
Housing Authority, City of Santa Clara
Housing California
Housing Choices Coalition
Housing Element of the City of Emeryville
Housing Leadership Council of San Mateo County
Housing Trust Silicon Valley
Hudson Housing Capital
Hunger Advocacy Network
Irvine Community Land Trust
Jamboree Housing Corporation
Kennedy Commission
Korean Resource Center
Larkin Street Youth Services
Laurin Associates

Law Foundation of Silicon Valley
Leadership Counsel for Justice and Accountability
LeadingAge California
League of Cities
LINC Housing
Linda M. Nelson DBA Nelson Rental Consultant
Little Tokyo Service Center CDC

Loaves and Fishes
Los Angeles Area Chamber of Commerce
Los Angeles Community Action Network
Many Mansions
Marin County Board of Supervisors
Mental Health America of California
Mercy Housing California
MidPen Housing
Monterey County Board of Supervisors
Nancy Lewis Associates, Inc.
Napa Valley Community Housing
National Association of Social Workers, California Chapter
National Housing Law Project
NeighborWorks Orange County
Newman Garrison and Partners, Inc.
Non-Profit Housing Association of Northern California
North Bay Leadership Council
North Los Angeles County Regional Center
Northern California Community Loan Fund
Northern California Presbyterian Homes and Services
Onyx Architects
Orange Coast Interfaith Shelter
Pacific West Communities
Palm Communities
PATH
People's Self Help Housing Corporation
PEP Housing
Powell & Partners, Architects
Project Access, Inc.
Promise Energy
Resources for Community Development
Retirement Housing Foundation
Rural Communities Housing Development Corporation
Rural Community Assistance Corporation
Sacramento Homeless Organizing Committee

Sacramento Housing Alliance
Sacramento Loaves and Fishes
San Diego County Apartment Association
San Diego Housing Commission
San Diego Housing Federation
San Diego Organizing Project
San Diego Regional Chamber of Commerce
San Diego Tenant Association
San Francisco Housing Action Coalition
San Francisco Unified School District
San Joaquin Valley Housing Collaborative
San Luis Obispo County Housing Trust Fund
Santa Clara County Board of Supervisors
Satellite Affordable Housing Associates
Self-Help Enterprises
Seventy Day Adventist Church
Shelter Partnership, Inc.
Shelter, Inc.
Sierra Business Council
Silicon Valley Bank
Silicon Valley Leadership Group
Skid Row Housing Trust
Sonoma County Housing Advocacy Group
Southern California Association of Non-Profit Housing
Southern California Legislative Council

St. Anthony Foundation; St. Vincent's
TELACU Residential Management
Tenemos que Reclamar y Unidos Salvar La Tierra - South Los Angeles
Thomas Safran & Associates
Trinity Center Walnut Creek
United Ways of California
Urban Habitat
Venice Community Housing Corporation
Walkland Housing and Development Corporation
Ward Economic Development Corporation
Western Seniors Housing, Inc.
WORKS
Yolo Housing
19 individuals

OPPOSITION: (Verified9/4/15)

None received

ARGUMENTS IN SUPPORT: According to the author "California's shortfall of 1.5 million affordable rentals impedes our state's economic growth by slowing job creation and driving Californians into poverty. When housing costs are accounted for, the proportion of people unable to meet their basic needs - food, shelter, transportation - rises from 16 percent to 23 percent, the highest rate of poverty in the nation. A recent report from the California Housing Partnership depicts a growing statewide crisis driven by a growing divide between incomes and rents. Statewide, median incomes have fallen 8 percent since 2000; meanwhile, rental prices have soared by 21 percent in the same timeframe. There isn't a single county in California with enough affordable rentals for families struggling to make ends meet. Rising rents are locking broad swaths of Californians - people who are key contributors to our communities - out of San Francisco, San Diego and many other California cities and crowding their families into unsafe housing. Twenty-one of the nation's least affordable cities are in California; our home-health aides, child-care workers, and teachers' assistants have virtually nowhere to live in the communities where they work, even if they work full-time. Small businesses and creators of entry-level jobs face particular difficulties recruiting employees. Closing our communities to struggling workers reverberates through our entire economy and impacts all taxpayers. California leaders must act to replace the $1.5 billion annual state investment wiped out when voter-approved housing bonds were expended and redevelopment funding was eliminated. AB 35 would take a step in the right direction by increasing the California Low-Income Housing Tax Credit, a proven public-private-partnership model, by $300 million per year, and enable the state to attract $600 million in additional federal funding that would otherwise not come to California."

ASSEMBLY FLOOR: 78-0, 6/4/15
AYES: Achadjian, Alejo, Travis Allen, Baker, Bigelow, Bloom,

Bonilla, Bonta, Brough, Brown, Burke, Calderon, Campos, Chang, Chau, Chávez, Chiu, Chu, Cooley, Cooper, Dababneh, Daly, Dodd, Eggman, Frazier, Beth Gaines, Gallagher, Cristina Garcia, Eduardo Garcia, Gatto, Gipson, Gomez, Gonzalez, Gordon, Gray, Grove, Hadley, Harper, Roger Hernández, Holden, Irwin, Jones-Sawyer, Kim, Lackey, Levine, Linder, Lopez, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Melendez, Mullin, Nazarian, Obernolte, O'Donnell, Olsen, Patterson, Perea, Quirk, Rendon, Ridley-Thomas, Rodriguez, Salas, Santiago, Steinorth, Mark Stone, Thurmond, Ting, Wagner, Waldron, Weber, Wilk, Williams, Wood, Atkins

NO VOTE RECORDED: Dahle, Jones

Prepared by:Colin Grinnell / GOV. & F. / (916) 651-4119
9/4/15 18:03:51

**** END ****

HOMELESS SERVICES OVERSIGHT COUNCIL
Full HSOC COMMITTEE
July 15, 2015, 1:00-3:00pm
SLO Vet's Hall
801 Grand Avenue, San Luis Obispo
Lounge Room

MEMBERS PRESENT	MEMBERS ABSENT	STAFF & GUESTS
Debbie Arnold Kristen Barneich Patty Beck Amy Christey Rick Gulino Sheila Blake Bob Ellis Jim Patterson Steve Martin Anne Robin Theresa Scott Mariam Shah Alison Ordille Jessica Thomas	John Ashbaugh Christina Bearce Marie Chaney Dana Cummings Marianne Kennedy Bob Kelley Jennifer Kirn Danielle Veatch Shirley Wright	Mark Lamore Joe Madsen Martin Meltz Morgan Torell Tyler Corey Susan Warren Ivana Young Xzandrea Fowler Janna Nichols Kathleen Martin Katherine Zeiss Jessica Lorance Laurel Weir

AGENDA ITEM		CONCLUSIONS/ACTIONS	FOLLOW UP
1. Call to Order and Introductions of Guests	Supervisor Arnold welcomed the group and introductions were made.		
2. Consent Items			
2.1 Approval of Minutes	Jim Patterson noted that he was present at the last meeting. Rick Gulino also noted that he was present at the last meeting. Members were reminded to sign the attendance sheet for the meeting. Captain Amy Christey asked that the minutes be amended to altered to note that it was she who abstained from the vote on the Action Item to go before the Board of Supervisors.	Jim Patterson moved to accept meeting minutes as corrected. The motion was approved unanimously.	

ACTION/INFORMATION/DISCUSSION			
3. 1 Presentation on the new Jail Discharge Planning Process	Alison Ordille from the County Sheriff's office gave a presentation about new programs being implemented at the jail to try to reduced recidivism among those inmates most likely to re-offend. The new programs were implemented after a review of criminal justice best practices. Following sentencing, inmates are assessed for their risk of re-offending after they serve their time and are released. Inmates who are deemed medium to high risk are offered a chance to take an assessment tool that will help them identify what in-jail programming and support may help them to reduce their likelihood of re-offending. The jail has increased in-jail programming and support focused on those offenders who would otherwise be at the highest risk of re-offending and returning to jail. In addition, the jail has created a "Jail to Community " transitions group to try to address some of the re-entry needs of those inmates who have completed their programs and are within 30 to 90 days of release. A meeting happens every two weeks to look at reentry plans with all involved service providers. This program was created to help realign inmates, helping getting them connected with service providers they need. About half of the inmates eligible to participate agree to participate. Other agencies are welcome to come to the Sherriff's department to help inmates get set up with available services. A mental health mentoring program will be set up to help with inmates' transition back into the community. Average lengths of inmate days in jail		

	are 37 days. The jail is looking for additional partners. Examples of current partners include Casa Solano, and Gryphon Society to name a couple. For more information or if you are a service provider and are interested in helping inmates with re-entry services, contact Alison Ordille by email at aordille@co.slo.ca.us, or by phone at 805-788-2792. Susan Warren encouraged the jail to consider incorporating families of inmates into the re-entry process to create additional supports for people after they leave the jail.		
3.2 Update on 50 Now Program	Laurel reported the second community survey was been completed in June and 232 surveys were conducted throughout the County. She noted that between the Fall 2014 survey and the most recent survey, almost 500 unique persons were surveyed, with only a small percentage of persons being surveyed in both rounds. During the survey, if people identified themselves as veterans, they were asked for permission to refer them to the Supportive Services for Veteran Family (SSVF) programs to see if they were eligible for VA-funded housing assistance. She also reported on additional outcome data from CenCal health: among the persons housed from the first round for whom there is data available, there was a 71% reduction in hospital days and an 80% reduction in re-admission days in the hospital from the year before the 50 Now program started until		

	now. Mark Lamore from TMHA reported there were 11 individuals housed during the current quarter. Three individuals were placed from the new list. A total of 37 persons have been placed into homes. The program is 5-6 months ahead of schedule. It takes 34-46 days to get individuals housed. The time it takes to house people has lengthened since last Fall because it is difficult to find housing. Most individuals are participating with additional services and case managers. To date, 17 individuals have been housed for longer than six months, with more having been housed less than six months ago. About 50% are housed in a group setting.		
3.3 Presentation on Homeless Children's Educational Rights and Resources	Jessica Thomas provided an overview of services available to assist homeless, school-aged children in San Luis Obispo County and discussed some of the rights of the children that were established by the McKinney-Vento Homeless Assistance Act. She began by noting the definition of homelessness used by schools and the U.S. Department of Education was broader than the definition used by the U.S. Department of Housing and Urban Development and the Continuum of Care programs. Under the definition used by schools, 75% of students considered homeless were living doubled up with other families. In addition, unaccompanied youth were also considered homeless. The McKinney-Vento Act provides homeless students in public schools the right to remain in the school that they were previously attending if they became		

	homeless during the school year. If identified by schools as homeless under the McKinney-Vento Act, students may also be eligible for additional services. Students have the right to immediately enter a school in whatever area they are currently homeless in and to continue services through the rest of the school year. Students that qualify for McKinney-Vento also automatically qualify for the federal free lunch program and the local education liaison will enroll them in that program. At the beginning of the year, each school district tries to identify homeless children by sending home cards for parents to fill out if the family is homeless. If school-aged children are not homeless during the beginning of the school year but become homeless later in the year, they are still entitled to their McKinney-Vento rights and can receive school-related homeless services for the remainder of the school year. The schools collect data on the number of homeless children through the CALPADS software program that schools use. This data is reported annually. Most school districts have special resources available to help homeless children, such as gas cards to help parents transport their children to school. Information about student programs and services can be found on the "Homeless and Foster Youth" section of the County Office of Education website at http://www.slocoe.org/student/foster.htm. Additionally, each school district has a homeless education liaison whose role is to identify homeless children in that school district and help connect those children to resources offered by the school district to homeless families. A list of these liaisons can be found at the County Office of Education website (noted above).		

	Anyone who has a referral can call the education liaison for the appropriate school district. The Office of Education has been trying to get the word out and make families aware that the services are there. Schools are actively trying to find homeless youth. Staff and faculty are asked to keep an eye out for students who may qualify. The County Office of Education has a flyer with information about children's educational rights and a listing of each school district's homeless education liaison. New flyers are going to be printed and posted in other locations this Fall with updated contact information. The flyers are given out to many different agencies.		
3.4 2015 Homeless Point in Time Count Update	Laurel: The first draft of the Point in Time Count report has been received and the Ad Hoc review committee met yesterday to look at the initial draft. Comments will be provided to the contractor and another draft is expected.		
3.5 Continuum of Care Notice of Funding Availability Update	Laurel reported HUD has not yet published the Notice of Funding Availability but it is expected later this summer.		
3.6 Services Event in Paso Robles	Laurel: Mayor Steve Martin has suggested holding an event in Paso Robles, similar to a Homeless Veterans Stand Down or Project Homeless Connect. He is working with the County and to others to plan an outreach program/day event in Paso Robles, most likely September or October at the fairgrounds. Service providers will be contacted and asked to participate. Further updates to come.		

4 .Public Comment	Lee Collins noted the funding for the CalWORKs Housing Support Program was expected to be renewed. 93 homeless families have been housed into permanent housing since the program began in October 2014. Each family has an average of three members. He also noted two apartment complexes were being purchased in Atascadero to house families by Social Services/Family Care Network. One complex has 5 units, and one has 4 units. The deed will be for 20 years. The Department of Social Services must refer families. Most of the units are currently occupied. One family qualified to remain. The other families will receive assistance finding new properties and with moving costs, and will also receive rental assistance for more than a year on the new units. An Request for Proposals was issued for a nonprofit to provide Rapid Rehousing services to the families participating in HSP and one application was received. Ann Robin reported there was a new mobile crisis center. Call the manage care number. The hotline number is on the back of the flyers. Theresa Scott reported CenCal Health was partnering with health care providers on a new case management model called IMPACT. They were searching for funding to get clients into immediate housing and looking for additional housing opportunities.		

	Patty Beck suggested HSOC consider establishing a subcommittee to help the IMPACT group with their goals. Laurel provided an update regarding the HSOC recommendation that the Board of Supervisors endorse efforts to end veteran homelessness in 2015. The Board of Supervisors agenda was full through the summer but the HSOC recommendation would go to the Board in the Fall.		
5. Committee Reports	Kristen Barneich provided an update from the Ad Hoc Committee on Warming Centers. The Paso Cares organization in Paso Robles has agreed to take the lead on establishing a Warming Center in Paso Robles and has drafted an operating plan. They are still looking for a location where they can have the Warming Center. A letter has been sent out to churches to see if any of them would be interested in helping. The Warming Center operated by Paso Cares is focused mainly in the Paso Robles area. There is a possibility of having transportation set up. Jim Patterson reported the Housing committee discussed legislation pending at the state level affecting the State's housing trust fund and affordable housing. Anne Wyatt has been working on an educational presentation on affordable housing models to show planning departments. More information will be available at the next meeting. Laurel reported the Homeless Services Coordinating Committee would be meeting a week from Friday down in south county to look at employment issues and youth issues.		

6. Future Discussion/Report Items	NA		
7. Next Meeting Date: September 16, 1-3pm			
8. Adjournment	Meeting adjourned at 2:55pm		