

HEALTH SERVICES AGENCY  
ADMINISTRATION

# COUNTY OF SANTA CRUZ

## HEALTH SERVICES AGENCY

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June 3, 1998

AGENDA: JUNE 16, 1998

### BOARD OF SUPERVISORS

County of Santa Cruz  
701 Ocean St., Fifth Floor  
Santa Cruz, CA. 95061

SUBJECT: Support of AB 2737, Supported Housing Initiative

Dear Members of the Board:

#### Background:

In prior letters to your Board, HSA has documented problems in the community created by the limited amount of affordable housing for persons who are disabled and/or elderly. As care managers for many of the counties disabled citizens, HSA health and mental health staff face these housing problems on a daily basis. Housing shortages and their consequent high costs put additional funding pressures on local government. On February 28, 1998, your Board directed HSA staff to work with the Corporation for Supportive Housing (CSH) to support state legislation to create funding opportunities for supported housing for disabled individuals and seniors.

I am pleased to inform your Board that Assemblymember Aroner has introduced AB 2737, which would establish a program to provide funding for housing and support services for disabled individuals and seniors. At this time, AB 2737 does not include any funding allocations for 1998-1999. AB 2737 is supported by groups representing disabled citizens and California State Association of Counties.

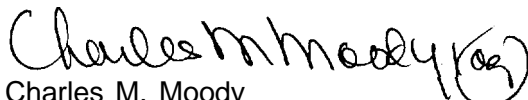
Assemblymember Aroner is seeking support for amendments to AB 2737 which would allocate \$5 million in State funds to this new program. It is recommended your Board adopt the attached resolution in support of AB 2737, and to support amendments to AB 2737 which would allocate \$5 million in State funds for housing and support services for disabled individuals and seniors.

Recommendation:

It is, therefore, RECOMMENDED that your Board:

1. Adopt the attached resolution supporting AB 2737(Aroner) and support an amendment to AB 2737 urging State legislators to allocate \$5 million to the program.

Respectfully submitted,



Charles M. Moody  
Health Services Agency Administrator

CM:RK:ep  
Attachment

RECOMMENDED

J  
County Administrative Officer

cc: Auditor Controller  
County Administrative Office  
County Counsel  
HSA Administration  
Community Mental Health

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

**RESOLUTION NO.**

On the motion of Supervisor  
duly seconded by Supervisor  
the following resolution is adopted:

**RESOLUTION SUPPORTING THE PASSAGE OF ASSEMBLY BILL 2737**

**WHEREAS**, Assembly Bill 2737 addresses the need for more affordable housing for seniors and disabled persons in the State of California; and

**WHEREAS**, AB 2737 can provide a mechanism to begin funding housing resources at a local level; and

**WHEREAS**, AB 2737 would be of significant benefit in Santa Cruz County's efforts to address the needs of its disabled and senior citizens in accessing a range of housing options.

**NOW, THEREFORE, BE IT RESOLVED** that the Santa Cruz County Board of Supervisors support Assembly Bill 2737 and amendments to the bill to allocate five million dollars of funding to the program.

**PASSED AND ADOPTED**, by the Board of Supervisors of the County of Santa Cruz, State of California, this \_\_\_\_\_ d a y o f \_\_\_\_\_, 1998, by the following vote:

AYES:           SUPERVISORS  
NOES:           SUPERVISORS  
ABSTAIN:       SUPERVISORS

\_\_\_\_\_  
Chair of Said Board

ATTEST: \_\_\_\_\_  
Clerk of said Board

APPROVED AS TO FORM:

  
\_\_\_\_\_  
~~Assistant~~ County Counsel

Distribution: **CAO**  
Auditor-Controller  
**Assemblymember Keeley**  
**Senator McPherson**

County Counsel  
HSA Administration  
**Assemblymember Frusetta**

**AB 2737 Supportive housing.****BILL NUMBER: AB 2737 AMENDED 05/22/98**

AMENDED IN ASSEMBLY MAY 22, 1998  
 AMENDED IN ASSEMBLY APRIL 16, 1998  
 AMENDED IN ASSEMBLY APRIL 2, 1998

**INTRODUCED BY Assembly Members Aroner, Honda, Knox, Kuehl, Perata,  
 and Washington (Coauthors: Senators Lee and Watson)**

**FEBRUARY 23, 1998**

An act to add Part 2.5 (commencing with Section 50897) to Division 3 1 of the Health and Safety Code, relating to housing.

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2737, as amended, Aroner. Supportive housing.

Existing law contains various provisions relating to emergency and transitional housing for homeless and mentally disabled persons.

This bill would enact the California Statewide Supportive Housing Initiative Act and create the Supportive Housing Initiative Fund to be administered by the Health and Welfare Agency to provide matching funds for cities and counties for programs for permanent supportive housing for homeless and other very low income disabled persons. *The bill would provide that its implementation is contingent upon the appropriation of funds in the annual Budget Act to the Supportive Housing Initiative Fund.*

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

SECTION 1. Part 2.5 (commencing with Section 50897) is added to Division 3 1 of the Health and Safety Code, to read:

**PART 2.5. CALIFORNIA STATEWIDE SUPPORTIVE HOUSING INITIATIVE**

50897. The Legislature finds and declares all of the following:

- (a) Decent, affordable housing is an essential human need that relates directly to families and persons achieving self-sufficiency and maximizing their independence.
- (b) The presence of homeless persons on our streets and the existence of unsafe, unsanitary housing constitute conditions that increase public health and safety problems.
- (c) At least 150,000 people are homeless in California, and studies indicate that at least half are disabled with mental illness, medical problems, or other health conditions.
- (d) Very low income people with disabilities cycle through costly, short-term crisis programs such as hospital emergency rooms, psychiatric hospitalization, emergency shelters, and jails,

failing to make a long-term transition to stability and permanent housing.

(e) Evidence from around the country shows that a significant percentage of those who are trying to move from welfare to work face substantial barriers, including mental health and other health-related disabilities.

(f) Supportive housing, which blends affordable housing with necessary support and employment services, has been shown to be effective in stabilizing tenants so that they regain a stake in the community.

(g) Supportive housing has been shown to decrease by 50 percent the use of emergency medical services and incarceration, reduce recidivism among substance abusers by more than 50 percent, increase employment rates by 100 percent, and successfully retain tenants at rates exceeding 80 percent.

(h) Supportive housing has previously been developed and operated primarily with local government, federal government, philanthropic, and private sector support.

(i) Supportive housing is currently available to only 1 or 2 of every 10 Californians who could benefit from it.

(j) By establishing a supportive housing initiative, the state can leverage substantial local, federal, and private support; reduce costs; and ensure that existing supportive housing programs are sustained and that new supportive housing programs are developed.

50897.1. This act shall be known and may be cited as the California Statewide Supportive Housing Initiative Act.

50897.2. There is hereby created in the State Treasury the Supportive Housing Initiative Fund. Money appropriated to the fund in the annual Budget Act shall be used to provide matching funds of up to 50 percent to cities and counties for supportive housing pursuant to this part. The fund shall be administered by the Health and Welfare Agency. That agency shall integrate the Statewide Supportive Housing Initiative established by this part with special needs housing programs offered by government or private lenders.

50897.3. The purpose of this part is to provide incentives to local government to sustain and expand the stock of permanent supportive housing. The program shall target very low income single adults and families with the head of household having one or more disabilities, including mental illness, substance abuse, or chronic health conditions, including HIV or AIDS, and who are also elderly people, young adults aging out of the foster care system, individuals exiting from institutional settings, or homeless people. For purposes of this section, "very low income" means at or below 35 percent of the area median income.

50897.4. Funds available under this part shall be available on a flexible basis depending upon the needs of each project for operating subsidies and services, including health care, social supports, community building, and vocational services. The service or operating support may be at a level sufficient to permit the leveraging of capital through the repayment of debt. State funds may be used to make units affordable to very low income persons by either capitalizing operating reserves in the case of buildings owned by nonprofit organizations, or through rental assistance. The type of support required to make the housing affordable to very low income persons and the

method of administering the funds shall be identified by the local jurisdiction in its application.

50897.5. Supportive housing providers or public agencies may apply to the State Supportive Housing Initiative Fund for operating support, services support, or support for both services and operating costs. All applicants shall do all of the following:

- (a) Provide evidence that both affordable housing and services appropriate to the target population are available.
- (b) Identify the source of, and the duration of the commitment for, matching funds of at least 50 percent of the project's ongoing service and operating costs.
- (c) Indicate how the proposed supportive housing will be assessed and monitored locally.

50897.6, Proposals shall be submitted to the Health and Welfare Agency jointly by local public health and housing agencies, or by a jurisdiction's local continuum of care board established to implement the federal Stewart B. McKinney Homeless Assistance Act (Public Law 100-77) or public or private agencies that can demonstrate that they provide high quality services and affordable housing to people with disabilities, elderly people, young adults, or homeless people. Proposals shall be certified by the submitting agencies as being consistent with the local jurisdiction's Consolidated Plan that is prepared for the Department of Housing and Urban Development, or its Continuum of Care Plan, or a local supportive housing plan that has been adopted by a public body.

50897.7. *The implementation of this chapter is contingent upon the appropriation of funds in the annual Budget Act to the Supportive Housing Initiative Fund created by Section 50897.2.*



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*Senate Rules Committee / California State Senate / [WebMaster@sen.ca.gov](mailto:WebMaster@sen.ca.gov)*

## Synopsis of Proposed California Supportive Housing Initiative from Corporation for Supportive Housing

The proposal is for the **State** to substantially increase its investment in supportive housing to cost-effectively and permanently end homelessness for approximately 6,500 Californians.

The Corporation for **Supportive Housing** would provide **technical** support based on their experience in nine local programs, including one in San Francisco, **as well** as experience with partnerships in other states, including Connecticut, New York, Illinois and Michigan.

The State **should** play a **role** in producing and sustaining **supportive housing because:**

1) other states have proved successful in significantly decreasing homelessness and its associated fiscal and social costs, 2) the number of persons on the streets who are obviously under **the influence** of alcohol or drugs or who exhibit symptoms of serious mental illness could be reduced, 3) workforce participation increases with housing stability, 4) **as the** state implements managed care, providers that integrate health and social services with affordable housing will play an important role in partnering with **mainstream** health plans to effectively **serve** people with disabilities, and 5) philanthropic support appears to be strongest when government shows an increased commitment to matching this support.

Specifically the proposal is for the State to:

- Establish a \$25 million supportive housing initiative to provide a match to cities or counties for supportive housing programs.
- Impose a maintenance of effort and a match requirement that would allow for the funding of **existing** programs. Local government **jurisdictions** could receive funding if they show evidence of a comprehensive strategy for **leveraging local** resources for supportive housing, and for blending those resources with the new state support.
- Provide regulatory relief and technical assistance to local jurisdictions applying for federal waivers necessary to use existing funding more flexibly.
- Explore the feasibility of establishing an assisted living rate for elderly and disabled persons.
- Pilot test a Medi-Cal managed care program for disabled **SSI** recipients living in supportive housing.

**Purpose and Target Population**

- An administrative agency would be selected to provide incentives to local governments to sustain and expand the availability of supportive housing for persons who have mental illness and/or substance abuse disorders or other chronic health conditions including HIV/AIDS, and are homeless or at risk of homelessness.
- Proposals would be submitted jointly by local housing and health agencies or other consortia of agencies and would have to be certified by the local jurisdictions as reflecting the local Consolidated and Continuum of Care Plans.
- The Corporation for Supportive Housing is pursuing legislation that would enact this proposal.



SUNDAY, JANUARY 11, 1998

## San Francisco Chronicle

97

## EDITORIALS

## Stability Key to Any Good Homeless Policy

**A**t THE HEART of Mayor Willie Brown's plan to prevent general assistance recipients from bouncing back and forth between the streets and low-rent hotels is recognition that changing one's life requires a stable environment.

In an interview with Chronicle staff writer Edward Epstein last week, Brown made the simple but critical observation that the uncertainty of having a home one night and not the next — even if that home is a run-down Tenderloin hotel — impedes progress from welfare to work.

It is that acknowledgement that should imbue every aspect of a Brown administration homeless policy. And after ignoring the hot-potato issue, Brown makes a good start in redeeming himself with a plan to make sure that people do not have to move out of their hotels 3 few days a month because they fall short in having enough for rent. He wants to give general assistance recipients the means to stay put rather than have to pack up and head for already overcrowded shelters around the first and 15th of every month.

But he needs to go further.

He and his staff need to come up with a major, long-term program to end chronic homelessness for the troubled and needy souls sleeping in doorways and under highway underpasses. At the core of that policy should be recognition of the need for a home base for those who need treatment or training.

At the same time, he needs to continue to address the housing problems of people whose bad luck is more tied to the economy and to come up with a coordinated plan of outreach to those who need help.

It is more humane, more cost-effective and more productive to treat mental illness, drug addiction, AIDS and the other ills of many homeless people while they have a clean, safe place to live rather than while they are between stays in emergency moms, jail and short-term residencies in hotels.

**T**he nonprofit Corporation for Supportive Housing (CSH) put together a portrait of a homeless man with substance abuse and mental health problems, CSH found that the cost of treatment and housing more than doubled when an individual had no home base with on-premises of nearby support services — i.e., "supportive housing."

The cost of supportive housing is \$23 a day compared to \$60 for state prison and county jail, \$82 for a skilled nursing facility, \$125 for a mental health facility, \$383 for a state psychiatric hospital or \$570 for hospitalization in a San Francisco psychiatric hospital.

With supportive housing, a person has a better chance of benefiting from treatment and training because of the lack of pressure that comes with having to find a place to sleep each night and protecting oneself from predators. A room of one's own also has a healing effect by itself.

An article last month by Chronicle staff writer Aurelio Rojas that contrasted care for the homeless in San Francisco and Seattle back up the contention that success in making it back to the mainstream requires a place to live during the transition. As a 47-year-old recovering Seattle drug addict told Rojas, "It's hard to get clean if you don't have a clean place to live."

25

San Francisco does have some supportive housing-like facilities, but not enough. While nonprofit ownership and development of supportive housing must be encouraged, creative partnerships with building and apartment owners also must be considered.

Seattle residents have approved three property tax increases in the past 16 years to house the poor, and there may need to be a similar financial commitment from San Francisco taxpayers for a long-term homeless program to work.

However, the state, unlike the federal government and local jurisdictions, has been decidedly ungenerous when it comes to helping the homeless.

As infusion of money from Sacramento could be just the financial and psychological boost needed to prod local entities to do more than answer the homeless problem with police sweeps or other quick but deficient fixes.

About 16 months ago, Brown expressed fear that if San Francisco put together too good a homeless program, more people would come here simply for the benefits of that program.

That was a transparent excuse for inaction.

When he canceled a summit meeting on homelessness in 1996, saying "I don't have an answer . . . The problem may not be solvable," despite what he may have thought, Brown was not off the hook.

His plan to ease temporary homelessness with a subsidy that would both ease lines at shelters and provide a more stable life for general assistance recipients is a hopeful sign that the mayor is ready to seriously tackle the crisis of homelessness, which San Francisco voters cited as the city's biggest problem.

He needs to be held to the pledge he made in 1995: "We must find answers to the problem of homelessness, not only to end the human tragedy it entails, but also to reaffirm our ability to come together to solve complex and persistent social problems. Failure to do so will mock all our other efforts at self-government and betray our traditional civic spirit as the city of St. Francis."

# San Francisco Chronicle

THE VOICE OF THE WEST



## WHERE THE HOMELESS ARE

A Chronicle survey of county shelters and other service providers indicates there are at least 71,500 homeless in the Bay Area over the course of a year. Exact figures are hard to nail down, given how often homeless people move and how many of them try to stay out of sight in making its survey, The Chronicle relied on hard data rather than anecdotal estimates. As a result, some figures may be lower than the actual numbers of people who are homeless.

### SAN FRANCISCO COUNTY

- Population: 735,315
- Percentage living in poverty: 13.4%



1 = 500 homeless people

at least 6,000-8,000 homeless a year  
1,399 shelter beds

75%



Men

25%



Women

30%



Homeless families

#### Age of homeless children in shelters:

- 0-5: 58%
- 6-12: 33%
- 13-17: 9%

#### % of homeless families in shelters who work: 6%

#### % of homeless singles in shelters who work: 0%

#### People qualifying for state homeless aid in the Bay Area:

- 1985: 17,600
- 1995: 21,000

Source: Chronicle research

Chronicle Graphs