



# County of Santa Cruz

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## HUMAN RESOURCES AGENCY

CECILIA ESPINOLA, ADMINISTRATOR

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June 10, 1999

Agenda: June 22, 1999

### BOARD OF SUPERVISORS

County of Santa Cruz

701 Ocean Street

Santa Cruz, California 95060

### **APPROVE RESOLUTION IN SUPPORT OF SB 781 (SPEIER) - HOUSING SUBSIDIES - COUNTIES**

Dear Members of the Board:

As you may know, three Bay Area counties - San Francisco, San Mateo and Santa Clara - have co-sponsored Senate Bill 781 authored by Senator Jackie Speier to implement a state housing subsidy program for CalWORKs families to address the high cost of housing throughout the state. Attached is a copy of the most recent version of the bill and a letter from the San Francisco Department of Human Services, requesting our County's endorsement of the bill.

The housing subsidy program proposed in SB 781 would provide a key supportive service to Santa Cruz County CalWORKs families in their effort to move successfully from public assistance to self-sufficiency. SB 781 would provide a housing subsidy to CalWORKs families who are at or below 150 percent of the federal poverty level. CalWORKs families who are successfully meeting their work participation requirements for welfare-to-work could be eligible for the subsidy, as could former recipients. A family would receive the subsidy for no more than three years, a fifty percent subsidy the first year, forty percent the second, and thirty percent the last year, so as to encourage increased earnings.

One indispensable feature of SB 781 is that it allows counties the discretion to design and implement the housing program to align with other existing CalWORKs programs. This flexibility is essential to Santa Cruz County's initiatives to deal with high housing costs in this community, as part of its efforts to meet its welfare reform goals. It is projected that the 15% local match for counties applying to provide subsidies, could be met by utilizing CalWORKs incentive funds.

BOARD OF SUPERVISORS

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SB 781 (Speier)

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THEREFORE IT IS RECOMMENDED that your Board adopt the attached resolution supporting the passage of Senate Bill 781, and direct the Clerk of the Board to distribute the resolution as indicated.

Very truly yours,



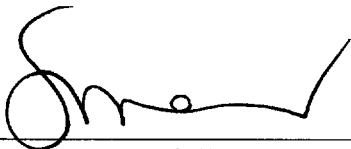
CECILIA ESPINOLA

Administrator

CE/GM/gm/bos781

Attachments

RECOMMENDED:



Susan A. Mauriello

County Administrative Officer

cc: County Administrative Office

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 ENDORSING THE PASSAGE OF SENATE BILL 781, ALLOWING  
COUNTIES TO ESTABLISH A HOUSING SUBSIDY PROGRAM

WHEREAS, Senate Bill 781 has been introduced into the California State Senate by Senator Jackie Speier; and

WHEREAS, Senate Bill 781 would enact legislation allowing counties to establish a housing subsidy program by adding Chapter 18 (commencing with Section 50898) to part 2 of division 3 1 of the Health and Safety Code, relating to housing; and

WHEREAS, if adopted, Senate Bill 781 would allow for the implementation of a state housing subsidy program for CalWORKs families, administered by counties to address the high cost of housing throughout the state; and

WHEREAS, according to nationwide research, California has the greatest number of low-income renters facing unaffordable rents, substandard conditions or both; and

WHEREAS, average rents in Santa Cruz county are almost double the maximum aid payment for CalWORKs families; and

WHEREAS, families in high-cost rental markets are increasingly at risk of homelessness as they struggle month to month to meet basic needs; and

WHEREAS, research studies have proven that subsidized housing stabilizes families at risk of homelessness and helps families move toward self-sufficiency; and

WHEREAS, thousands of low-income California families will be required to participate in work activities for a minimum of 32 hours per week beginning July, 1999 and must find self-sustaining employment within five years or face losing their CalWORKs benefits; and

WHEREAS, counties are finding that families who face housing crisis have more difficulty meeting the CalWORKs participation requirements and progressing toward self-sufficiency; and

WHEREAS, existing federal housing programs are unable to address the demand for low-cost housing in Santa Cruz County due to the limited number of Section 8 certificates and

RESOLUTION ENDORSING THE PASSAGE OF SENATE BILL 781, ALLOWING  
COUNTIES TO ESTABLISH A HOUSING SUBSIDY PROGRAM

vouchers, and Section 8 waiting lists are so long that it takes a family more than six years to move to the top of the list for a subsidy; and

WHEREAS, Senate Bill 781 would be of great benefit to low-income Santa Cruz County families by establishing a transitional and time-limited state housing subsidy program for CalWORKs families that encourages work and provides the families with a cash rental subsidy to help them meet their basic needs and progress toward self-sufficiency.

NOW, THEREFORE, the members of the Santa Cruz County Board of Supervisors do hereby urge the passage of Senate Bill 781.

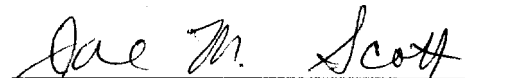
PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, state of California, this \_\_\_\_\_ day of \_\_\_\_\_, 1999 by the following vote:

AYES: SUPERVISORS  
NOES: SUPERVISORS  
ABSENT: SUPERVISORS

\_\_\_\_\_  
JEFF ALMQUIST, Chairperson  
Board of Supervisors

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

Approved as to form:

  
\_\_\_\_\_  
County Counsel

DISTRIBUTION: Senator Speier  
Assembly Member Keeley  
Assembly Member Frusetta  
Senator McPherson  
CSAC

AMENDED IN SENATE APRIL 26, 1999

AMENDED IN SENATE APRIL 12, 1999

## SENATE BILL

No. 781

**Introduced by Senator Speier**

February 25, 1999

An act to add Chapter 18 (commencing with Section 50898) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

### LEGISLATIVE COUNSEL'S DIGEST

SB 781, as amended, Speier. Housing subsidies: ~~high-cost~~ counties.

Existing law sets forth the duties of the Department of Housing and Community Development in administering various housing programs in the state.

This bill would require the department to implement a housing subsidy program to be administered by ~~high-cost~~ counties, ~~as defined~~, at their option, pursuant to which families who are' successfully meeting participation requirements under the welfare-to-work component of the CalWORKs program, or who are certain former CalWORKs recipients whose income is less than 150% of the federal poverty level, would receive subsidies for rent for up to 3 years, at specified levels. It would require a county applying to provide subsidies to provide a 15% match, and would authorize the county to develop criteria for eligibility for the program in addition to that set forth in the bill, and to

designate a local agency or community-based organization to implement the program.

*The bill would require participating counties to provide a status report to the department by March 1, 2003, and would require the department to report to the Legislature by September 1, 2003, on the program.*

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

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

1 SECTION 1. The Legislature finds and declares the  
2 following:

3 (a) According to nationwide research, California has  
4 the greatest number of low-income renters facing  
5 unaffordable rents, substandard conditions, or both.

6 (b) The average monthly rents in high-cost areas of  
7 the state are as much as 60 percent or more above the  
8 statewide median.

9 (c) The average rents in high-cost counties are almost  
10 double the maximum aid payment for CalWORKs  
11 families.

12 (d) Families in high-cost areas are increasingly at risk  
13 of homelessness as they struggle month to month to meet  
14 their basic needs.

15 (e) Research studies have proven that subsidized  
16 housing stabilizes families at risk of homelessness and  
17 helps families move toward self-sufficiency.

18 (f) Thousands of low-income California families will  
19 be required to participate in work activities for a  
20 minimum of 32 hours per week beginning July 1999 and  
21 must find self-sustaining employment within five years or  
22 face losing their CalWORKs benefits.

23 (g) Counties are finding that families who face  
24 housing crises have more difficulty meeting the  
25 CalWORKs participation requirements and progressing  
26 toward self-sufficiency.

27 (h) High housing costs and long waiting lists are  
28 rendering current federal housing programs ineffective.  
29 Section 8 waiting lists in high-cost counties are either

1 closed or are so long that it takes a family more than five  
2 years to move to the top of the list to receive a subsidy.  
3 Low-income families in high-cost counties have extreme  
4 difficulty using Section 8 certificates because the HUD  
5 fair market rents (FMRs) on which federal Section 8  
6 certificates are based do not accurately reflect the  
7 extremely high rents.

8 (i) It is therefore the intent of the Legislature to  
9 establish a transitional and time-limited housing subsidy  
10 program for CalWORKs families living in high-cost  
11 counties that encourages work and provides CalWORKs  
12 families with a cash rental subsidy to help them meet  
13 their basic needs and progress toward self-sufficiency.

14 SEC. 2. Chapter 18 (commencing with Section 50898)  
15 is added to Part 2 of Division 31 of the Health and Safety  
16 Code, to read:

17  
18 CHAPTER 18. HOUSING SUBSIDIES FOR ~~HIGH-COST~~  
19 COUNTRIES  
20

21 50898. (a) ~~(1)~~ The Department of Housing and  
22 Community Development shall implement a housing  
23 subsidy program to be administered by ~~high-cost~~  
24 counties, at their option.

25 ~~(2) For purposes of this section, a "high-cost county"~~  
26 ~~is a county in which the United States Department of~~  
27 ~~Housing and Urban Development Fair Market Rent~~  
28 ~~(FMR) for a two-bedroom apartment is 50 percent or~~  
29 ~~higher above the statewide median for regions defined by~~  
30 ~~the federal department. The definition of "high-cost~~  
31 ~~county" should be reexamined annually to ensure that~~  
32 ~~counties who experience housing shortages for~~  
33 ~~low-income families are included in this program.~~

34 (b) ~~(1)~~ The subsidy provided under this section shall  
35 be applied for the benefit of families who are successfully  
36 meeting participation requirements under the  
37 welfare-to-work component of the CalWORKs program  
38 pursuant to Article 3.2 (commencing with Section 11320)  
39 of Chapter 2 of Part 3 of Division 9 of the Welfare and  
40 Institutions Code, or former CalWORKs recipients who

1 are receiving retention services within one year of  
2 receipt of aid and whose income level is less than 150  
3 percent of the federal poverty level.

4 (2) *To be eligible for a subsidy under this section, a*  
5 *family must be paying 50 percent or more of their income*  
6 *for rent.*

7 (c) Individual subsidies under this section shall be  
8 limited to the fair market rents in the local area, as  
9 defined by an acceptable market study, and shall be  
10 applied for no longer than a total of three years, as follows:

11 (1) In the first year, 50 percent of the family's rent shall  
12 be subsidized.

13 (2) In the second year, 40 percent of the family's rent  
14 shall be subsidized.

15 (3) In the third year, 30 percent of the family's rent  
16 shall be subsidized.

17 (d) Rental units subsidized under this program shall  
18 meet acceptable housing quality standards.

19 (e) A county applying to provide subsidies pursuant to  
20 this section shall provide a 15-percent match, which may  
21 include funds from the county's CalWORKs single  
22 allocation or county maintenance-of-effort funds under  
23 the CalWORKs program, or other county funds to the  
24 extent not in conflict with federal law. County funds  
25 expended on housing case management linked to this  
26 program shall count toward the required match. County  
27 funds currently being expended on housing assistance  
28 programs for needy adults may also be counted toward  
29 the 15-percent match requirement.

30 (f) Eligible counties shall be allocated a dollar amount  
31 based on a formula that takes into account the size of the  
32 county CalWORKs population, the number of  
33 CalWORKs families paying more than ~~60~~ 50 percent of  
34 their grant and income in rent, and the HUD Fair Market  
35 Rent levels. The formula shall be determined by a work  
36 group comprised of representatives from the county  
37 welfare department and the Department of Housing and  
38 Community Development.

39 (g) A county providing subsidies pursuant to this  
40 section may develop criteria for eligibility for the



1 program in addition to that set forth in this section, and  
2 may designate a local agency, including the county  
3 welfare department, or community-based organization  
4 to implement the program. All counties that choose to  
5 participate in the program shall develop a county  
6 CalWORKs housing stabilization plan that outlines the  
7 program design and includes details about the population  
8 to be served, the amount and source of the local matching  
9 funds, a description of how housing quality standards will  
10 be met, and evidence of consultation with local  
11 stakeholders. If the local agency designated to implement  
12 the program is not the county welfare department, the  
13 county welfare department shall participate in the  
14 development of the plan. The County CalWORKs  
15 Housing Stabilization Plan shall be approved by the board  
16 of supervisors in each county.

17 *(h) Each participating county shall provide to the*  
18 *department by March 1, 2003, a status report on its*  
19 *specific subsidy program to enable the department to*  
20 *complete its report to the Legislature required by*  
21 *subdivision (i).*

22 *(i) Notwithstanding Section 7550.5 of the Government*  
23 *Code, the department by September 1, 2003, shall submit*  
24 *to the Legislature a report on the status of the subsidy*  
25 *program.*



0268

March 30, 1999

Cecilia Espinola  
Administrator  
Santa Cruz Human Resources Agency  
1000 Emeline Avenue  
Santa Cruz, CA 95060

Dear Cecilia:

As you may know, San Francisco, San Mateo and Santa Clara are co-sponsoring a bill authored by State Senator Jackie Speier, SB 781, to implement a state housing subsidy program for CalWORKs families who are living in high cost counties, which includes Santa Cruz. SB 781 would provide a critical supportive service to CalWORKs families and assist them in their transition to self-sufficiency.

SB 781 would provide a housing subsidy to CalWORKs families who are at or below 150 percent of the federal poverty level. The family would receive a housing subsidy for a three-year period, higher in the first year and decreasing each year so that families are encouraged to increase their earnings. Importantly, SB 781 maintains the spirit of the CalWORKs program by providing county flexibility in the design and implementation of the housing program and aligning it with existing CalWORKs programs. Specifically, SB 781 provides counties with an option to implement this housing program, to develop eligibility criteria and to designate the local entity to administer the subsidy.

The need for housing assistance to CalWORKs families in high cost counties is critical. A report recently released by the Urban Institute indicates that California's largest metro areas rank at the bottom nationwide in affordable housing. High housing costs coupled with the overall high cost of living in our counties, and the fact that our CalWORKs families are moving into low wage jobs, increases the likelihood that families will remain dependent upon welfare assistance longer, or return to the program later. Families require a stable housing situation in order to achieve economic self-sufficiency within the strict federal and state time limits.

I am requesting your county's support of this bill, which will be heard in Senate Housing and Community Development Committee on April 19". It is important that the counties affected by the legislation are listed as supporters when the bill is heard in committee.

Thanks in advance for your assistance in supporting this worthwhile measure. Feel free to contact me or our Chief Policy Analyst, Trent Rhorer at 415-557-5846, with any questions or concerns you may have. In addition, please feel free to share this letter and attached information with housing officials in your county for their input and support.

Sincerely,

A handwritten signature in cursive script, appearing to read "Will".

Will Lightbome  
Executive Director

cc: Gary McNeil, CWDA Legislative Committee Representative