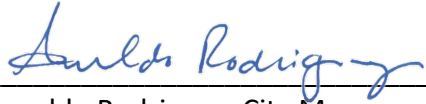


REPORT TO CITY COUNCIL

Approved by:


Arnoldo Rodriguez, City Manager

Council Meeting of: March 15, 2023

Agenda Number: B-7

SUBJECT:

Letter of Support for Senate Bill 37 (Caballero): Older Adults and Adults with Disabilities Housing Stability Act of 2023

RECOMMENDATION:

Consider a Minute Order Approving a Letter of Support for Senate Bill 37 (Caballero): Older Adults and Adults with Disabilities Housing Stability Act of 2023

SUMMARY:

Senator Anna Caballero recently unveiled Senate Bill 37 (SB 37), the Older Adults and Adults with Disabilities Housing Stability Act, which aims to provide rent subsidies for at-risk older and disabled individuals. On March 7, 2023, the City received a request from Senator Caballero's office for a letter of support for this Bill. SB 37 allows California governing bodies to address older adult homelessness at a critical time when the housing crisis disproportionately impacts older adults. In introducing the legislation, Caballero pointed to the growing need for assistance for this population. From 2017 to 2021, the number of Californians 55 and older seeking homelessness services increased at double the rate of the general population. Notably, SB 37 advances the California Department of Aging's goal of preventing and ending homelessness among older adults by enabling thousands of extremely low-income older adults and people with disabilities who are currently homeless or at risk of homelessness to afford housing.

DISCUSSION:

Existing law establishes various programs to address homelessness, including requiring the Governor to create an Interagency Council on Homelessness and establishing the Homeless Emergency Aid program to provide localities with one-time grant funds to address their immediate homelessness challenges. The Department of Housing and Community Development (HCD) oversees the administration of various housing assistance programs, including provisions relating to residential hotel rehabilitation. It tasks the department to determine each region's existing and projected housing needs. If approved, SB 37 would, upon an appropriation by the

Legislature, require the HCD to develop the Older Adults and Adults with Disabilities Housing Stability Program and, in administering the program, offer the following:

- Competitive grants to nonprofit community-based organizations, continuums of care, public housing authorities, and area agencies on aging;
- A housing subsidy program for older adults and adults with disabilities who are experiencing homelessness or at risk of homelessness;
- Prioritize communities in which a higher proportion of renters face severe rental cost burdens than the state average;
- Create the Older Adults and Adults with Disabilities Housing Stability Fund from which funds would be allocated to eligible recipients through December 31, 2028;
- Award recipients the use of grant funds for specified activities, including housing subsidies up to the amount of reasonable rent until the participant can access longer-term support, no longer requires the housing subsidy, or the specified expenditure period expires and relocation costs if a landlord elects to withdraw from the program or evicts a tenant;
- Authorization grantees to utilize up to 15 percent of its allocation for landlord recruitment and tenancy acquisition services, landlord incentives, and tenancy transition services,
- Specified oversight of activities, including imposing reporting requirements on award recipients and contracting with an independent evaluator to conduct an interim evaluation of program outcomes and a final report;
- Submissions of these evaluation reports to the Legislature for further oversight.

If passed, SB 37 would establish a multi-year Rent Stabilization Fund to provide shallow and deep subsidies to help older adults and people with disabilities afford fair market rate rent and transition to permanent housing assistance programs, including the Section 8 Housing Choice Voucher program. It would also facilitate the HCD to fund and work with various community-based organizations that provide housing services and are limited by resources and overwhelmed by demand.

The Bill is cosponsored by a coalition including Justice in Aging, LeadingAge California, the Corporation for Supportive Housing, the State Council on Developmental Disabilities, and the United Way of Greater LA.

FINANCIAL IMPACT:

There is no anticipated fiscal impact to the City as a result of providing the letter of support.

ALTERNATIVES:

As an alternative, Council may elect not to authorize the signing of this Letter of Support for SB 37.

ATTACHMENTS:

1. Letter of Support



March 9, 2023

The Honorable Scott Wiener, Chair
Senate Committee on Housing
1021 O Street, Room 3330
Sacramento, California 95814

Re: Senate Bill 37 (Caballero): Older Adults and Adults with Disabilities Housing Stability Act of 2023: Support

Dear Senator Wiener,

On behalf of the City of Madera, I am pleased to offer our strong support of SB 37, which provides housing subsidies to older adults and adults with disabilities who are experiencing or at risk of experiencing homelessness.

Californians who are older or with disabilities find it increasingly difficult to afford the rapidly rising cost of housing. Many of these Californians live on fixed incomes, such as Supplemental Security Income (SSI), which are inadequate to cover rising rents. With business as usual, homelessness for older adults Californians (at least 65 years of age) is expected to triple between 2017 and 2030. For extremely low-income renters, roughly 8 out of 10 spend more than 50% of their monthly income on rent, placing them at risk of homelessness. People with disabilities comprise about 43% of those experiencing homelessness, and African American households are more than five times as likely to experience homelessness when compared to the general California population.

A key goal of the California Master Plan for Aging is to prevent and end older adult homelessness. Yet older adult homelessness is projected to increase, and no comprehensive state program exists that provides long-term housing subsidies for older and disabled adults who are on fixed incomes. Meanwhile, Housing Choice Vouchers and other federally subsidized housing programs often take years for applicants to access, since such programs accommodate only a fraction of eligible applicants.

SB 37 would provide a rent subsidy targeted to those older adults and adults with disabilities who are homeless or are at high risk of experiencing homelessness. The bill will establish OAADHSA within HCD to administer and offer competitive grants to nonprofit organizations, continuums of care, and other organizations. HCD will select grantees with the resources, expertise, and cultural specificity to provide

assistance to households experiencing or at risk of homelessness. Grants will prioritize communities in where a higher proportion of renters face cost burdens.

Grantees will provide subsidies to help older adults and adults with disabilities remain housed, with subsidies covering the difference between 30% of a person's household income and the unit's reasonable rent. Such subsidies will likely prevent and end homelessness for thousands of older and disabled adults. Studies show low-income renters accessing housing subsidies are able to remain housed or exit homelessness for good.

For these reasons, SB 37 (Caballero) would further the City of Madera's goal of preventing and reducing homelessness for our aging and disabled population. We are proud to support SB 37 (Caballero), and encourage your "aye" vote when it is heard in the Senate Housing Committee.

Best regards,

Santos Garcia, Mayor
City of Madera