

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: April 24, 2023

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

FROM: Sharon M. Tsoy *for*
Chief Legislative Analyst

Council File No: 23-0002-S41
Assignment No: 23-04-0203

SUBJECT: Resolution (Yaroslavsky – Blumenfield) to support Assembly Bill 1386, California
Veteran Supportive Housing Act

CLA RECOMMENDATION: Adopt the attached Resolution (Yaroslavsky – Blumenfield) to include in the 2023-2024 State Legislative Program support for legislative or administrative action for the State to rapidly house veterans with an income at or below 60 percent Area Median Income (AMI) levels through the State Veterans Housing and Homelessness Prevention Program (VHHP).

SUMMARY

Resolution (Yaroslavsky – Blumenfield), introduced March 17, 2023, states that in Los Angeles County, there are 3,522 unhoused veterans, constituting 10% of all unhoused veterans in the country. Nearly 79% of all unhoused veterans in Los Angeles (City) remain unsheltered, living on the streets, in cars, or in other places not meant for human habitation. In the City, many veterans are ineligible for supportive housing given overly restrictive AMI levels that disqualify those veterans from receiving housing due to their duly-earned benefits. As there are specific housing units dedicated to veterans that remain vacant as a result of these poorly-targeted AMI requirements, the Resolution advises that Assembly Bill (AB) 1386 would increase the flexibility of the VHHP to quickly and completely fill these units with veterans with an income at or below 60 percent AMI.

The Resolution further advises that the City is currently undertaking steps to address this issue at a local level by increasing AMI levels from 30 percent to 50 percent in Proposition HHH-funded units for unhoused veterans. The Resolution also notes that there are 5,664 units created by the VHHP across 88 housing developments since 2014 that are available and ready to be filled with currently unhoused veterans. As the City is committed to ensuring that administrative barriers do not stand in the way of helping veterans, it is in the City's interest to support AB 1386.

The Resolution recommends that the City support AB 1386, the California Veteran Supportive Housing Act, so that the State may quickly fill as many vacant VHHP units as possible with currently unhoused veterans.

BACKGROUND

The Veterans Housing and Homelessness Prevention Program (VHHP) provides funding for the construction of multifamily housing units for veterans and their families. Launched in 2014 following the restructuring of the Veteran's Bond Act of 2008, the VHHP is funded through the authorization of \$600 million in existing bond authority. To date, the VHHP has provided \$478.7 million dollars to build 88 projects throughout California.

California hosts 25% of the nation's unhoused veteran population. Approximately 10 percent of the unhoused veteran population in the country resides in Los Angeles County. As such, placing currently unhoused veterans is a top priority for the City. The VHHP awarded projects in the greater Los Angeles area with more than \$200 million to build over 2,600 units to house these veterans. However, many of these units remain vacant, as many of the veterans seeking housing do not qualify under the restrictive income limits set by the Area Median Income (AMI). Many of these units have an AMI cap of 30 percent, meaning that an unhoused veteran may not qualify if they earn more than 30 percent of AMI. Benefits earned through service in our nation's armed forces often exceed the 30 percent threshold, thus disqualifying people from accessing supportive housing they need. AB 1386 seeks to raise these limits to allow local homelessness systems to provide housing to a veteran with an income at or below 60 percent AMI in cases where a veteran with a lower income cannot be located.

The City Council previously recognized this issue, adopting a measure to increase the AMI limits for Proposition HHH-funded projects serving veterans on March 22, 2023. This action increased the AMI limits for these projects up to 60 percent AMI. As the Council recognized the severity of the issue regarding the overly restrictive AMI limits and took appropriate action to address this issue locally, it follows that implementing these changes at the State level would enable the placement of more veterans in supportive housing, thus decreasing the population of unhoused veterans across the State.

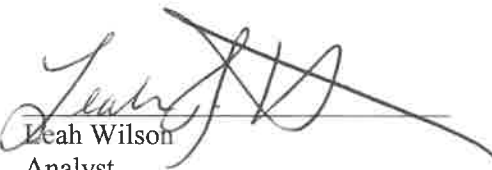
Support for AB 1386 would be consistent with City efforts to address the ongoing epidemic of homelessness in the State and support the provision of affordable housing to veterans.

DEPARTMENTS NOTIFIED

Los Angeles Housing Department
Los Angeles Homeless Services Authority

BILL STATUS

2/17/2023	Introduced
3/09/2023	Referred to the Housing and Community Development Committee and the Military and Veterans Affairs Committee
3/21/2023	Amended, re-referred to the Committee on Housing and Community Development
4/11/2023	Amended, re-referred to both Committees, read, and re-amended
4/12/2023	Re-referred to the committee on Military and Veterans Affairs



Leah Wilson
Analyst

Attachments: 1. Resolution (Yaroslavsky – Blumenfield)
2. California Assembly Bill 1386, California Veteran Supportive Housing Act
(Introduced February 17, 2023, Amended April 11, 2023)

RESOLUTION

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

WHEREAS, according to the 2022 Greater Los Angeles Homeless Count, there are 3,522 unhoused veterans in Los Angeles County, constituting 10% of all unhoused veterans nationwide; and

WHEREAS, while meaningful efforts have been made in Los Angeles and across the country to reduce the incidence of veteran homelessness, nearly 79% of all unhoused veterans in Los Angeles remain unsheltered, meaning they live on our streets, in cars, or other places not meant for human habitation; and

WHEREAS, many unhoused or housing insecure veterans are ineligible for supportive housing as a result of overly restrictive Area Median Income (AMI) levels that disqualify veterans who are receiving their duly-earned benefits; and

WHEREAS, housing units specifically dedicated for veterans remain vacant as a result of the poorly targeted AMI level requirements for residents; and

WHEREAS, the City is already taking steps to address this issue locally pursuant to the Los Angeles Housing Department's recommendations to increase the AMI levels from 30 percent to 50 percent in Proposition HHH-funded units for unhoused veterans; and

WHEREAS, currently pending in the California Legislature is a bill, Assembly Bill (AB) 1386 – California Veteran Supportive Housing Act – introduced by Assemblymember Jesse Gabriel; and

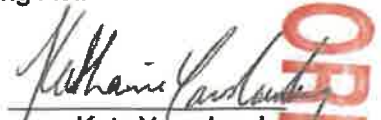
WHEREAS, AB 1386 would increase the flexibility of the State Veterans Housing and Homelessness Prevention Program (VHHP) and allow local homeless systems to match a Veteran with an income at or below 60 percent AMI in cases when a veteran with a lower income cannot be located; and

WHEREAS, AB 1386 would ensure that the 5,665 units created by VHHP across 88 housing developments since 2014 are quickly and completely filled with residents who desperately need permanent housing; and

WHEREAS, the City is committed to ensuring that administrative barriers do not stand in the way of helping veterans, who risked their lives in service to this country, access the stable housing they deserve;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2023-24 State Legislative Program SUPPORT for Assembly Bill 1386 (Gabriel), California Veteran Supportive Housing Act.

PRESENTED BY:


Katy Yaroslavsky
Councilwoman, 5th District

SECOND BY:


J. Blum

MAR 17 2023

AMENDED IN ASSEMBLY APRIL 11, 2023
AMENDED IN ASSEMBLY MARCH 21, 2023
CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 1386

Introduced by Assembly Member Gabriel

February 17, 2023

An act to amend Section 987.005 of, and to add Article 3.3 (commencing with Section 987.300) to Chapter 6 of Division 4 of, the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 1386, as amended, Gabriel. Veterans housing: tenant referrals.

Existing law, the Veterans Housing and Homeless Prevention Act of 2014, requires the California Housing Finance Agency, the Department of Housing and Community Development, and the Department of Veterans Affairs (referred to collectively as “the departments”) to establish and implement programs that focus on veterans at risk for homelessness or experiencing temporary or chronic homelessness, as specified. In this regard, existing law requires the departments to establish and implement programs that, among other things, ensure projects combine housing and supportive services. Existing law requires the departments to ensure at least 50% of funds awarded for capital development are used to provide housing to veterans with extremely low incomes, and requires that at least 60% of units funded targeting extremely low income households are supportive housing.

This bill would authorize an entity tasked with making referrals of units targeted to extremely low income households to match prospective tenants with incomes at *or below* 60% of the area median income, ~~as~~

~~defined, if the source of the income is service-connected in the event that an eligible tenant is unable to be matched to and accept placement in an available unit within 21 days of the unit becoming available. The bill would provide the entity 21 days to match and place a tenant meeting this criteria in an available unit. If an eligible tenant is unable to be matched to and accept placement in an available unit within 21 days, this bill would authorize the entity to match prospective tenants with incomes at or below 60% of the area median income, regardless of the source of the income, in an available unit. This bill would require a unit originally restricted to a tenant with an extremely low income to revert back to its initial eligibility criteria once a tenant with an income at or below 60% of area median income vacates the unit.~~ The bill would require an entity tasked with making referrals to these units to make a good faith effort to match a tenant with an extremely low income, document these good faith efforts, and make this documentation available to the departments upon request.

Existing law establishes the California Tax Credit Allocation Committee, composed of specified members, and requires that the California Tax Credit Allocation Committee, among other things, allocate specified federal low-income housing tax credits, as provided.

This bill would authorize an entity that is responsible for making referrals of extremely low income veteran tenants to qualified units, as defined, to submit a petition to the California Tax Credit Allocation Committee for purposes of requesting authority to allow veterans who have an income of up to 60% of the area median income to be located, matched to, or otherwise placed in a qualified unit, if the entity is unable to locate, match, or otherwise place extremely low income veterans in a qualified unit within ~~14~~ 21 days of the qualified unit becoming available. The bill would require the committee to create or otherwise establish by July 1, 2024, a standardized form for the petition, an online portal for the submission of the petition, and rules and regulations for the review of and determination on the petition. The bill would also require the committee to review and make a determination on the petition, as described, and provide a written determination to the entity that made the petition within 30 days of receiving a petition.

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. Section 987.005 of the Military and Veterans
2 Code is amended to read:

3 987.005. (a) The departments shall establish and implement
4 programs pursuant to the purposes of this article that focus on
5 veterans at risk for homelessness or experiencing temporary or
6 chronic homelessness. To the extent feasible, the departments shall
7 establish and implement programs that, among other things, do
8 the following:

9 (1) Leverage public (federal, state, and local), private, and
10 nonprofit program and fiscal resources.

11 (2) Ensure projects combine housing and supportive services,
12 including, but not limited to, job training, mental health and drug
13 treatment, case management, care coordination, or physical
14 rehabilitation.

15 (3) Promote public and private partnerships.

16 (4) Foster innovative financing opportunities.

17 (5) Ensure program guidelines and terms provide threshold
18 requirements to advance applicants with experience in combining
19 permanent or transitional housing, or both, with supportive services
20 for veterans, or for partnering with housing developers or service
21 providers with experience offering housing or services to veterans.

22 (b) (1) The departments shall ensure at least 50 percent of funds
23 awarded for capital development under this article provide housing
24 to veteran households with extremely low incomes, as defined in
25 Section 50106 of the Health and Safety Code.

26 (2) In determining whether a potential tenant is eligible for
27 supportive, affordable, or transitional housing targeted to extremely
28 low income households under this provision, eligibility shall take
29 into consideration all of a household's income sources upon initial
30 tenancy.

31 (3) At least 60 percent of units funded targeting extremely low
32 income households shall be supportive housing.

33 (4) This section shall not deter the departments from funding
34 projects serving mixed-income populations.

35 (5) (A) An entity tasked with making referrals of units targeted
36 to extremely low income households may match prospective
37 tenants with incomes at *or below* 60 percent of the area median
38 income, *if the income is above 30 percent of the area median*

1 income as a result of the prospective tenant receiving
2 service-connected disability benefits, as defined in Section 50105
3 of the Health and Safety Code, if, after—14 21 days of a unit
4 becoming available, an eligible tenant is unable to be matched to
5 and accept placement in the available unit.

6 (B) *If, after 21 days of a unit becoming available to a*
7 *prospective tenant under subparagraph (A), a tenant is unable to*
8 *be matched and accept placement in the available unit, an entity*
9 *tasked with making referrals may match prospective tenants with*
10 *incomes at or below 60 percent of the area median income.*

11 ~~(B)~~

12 (C) This shall include circumstances in which housing tenants
13 with incomes at 60 percent of the area median income would cause
14 a supported development to have less than 50 percent of its units
15 occupied by tenants with extremely low incomes. *The supported*
16 *development shall not have less than 30 percent of its units*
17 *occupied by tenants with extremely low incomes.*

18 (D) *If a unit that was originally restricted to a tenant with an*
19 *extremely low income is occupied by a tenant with an income*
20 *between 30 and 60 percent of area median income, and the tenant*
21 *vacates the unit, that unit shall return to its initial eligibility criteria*
22 *for tenants with extremely low incomes.*

23 (6) The entity tasked with making referrals to these units shall
24 make a good faith effort to match a tenant with an extremely low
25 income, shall document these good faith efforts, and shall make
26 this documentation available to the departments upon request.
27 *Documentation of these good faith efforts shall include, but not*
28 *be limited to, the following:*

29 (A) *Efforts to advertise to the community at least 90 days prior*
30 *to the lease-up of the building.*

31 (B) *Efforts to work in partnership with local homeless services*
32 *providers, including those that serve veterans experiencing*
33 *homelessness.*

34 (C) *Efforts to coordinate with the local continuum of care to*
35 *identify veterans experiencing homelessness with extremely low*
36 *incomes.*

37 (D) *Efforts to coordinate with the United States Department of*
38 *Veterans Affairs to identify veterans experiencing homelessness*
39 *with extremely low incomes.*

1 (E) *Documentation of contact with veterans experiencing*
2 *homelessness with extremely low incomes and their case managers*
3 *who were matched to the available unit and chose not to lease the*
4 *unit.*

5 (c) The departments may review, adopt, amend, and repeal
6 guidelines or terms, or both, to implement this article. Any
7 guidelines or terms adopted to implement this article shall not be
8 subject to Chapter 3.5 (commencing with Section 11340) of Part
9 1 of Division 3 of Title 2 of the Government Code.

10 (d) Nothing in this article permits the departments or the board
11 to purchase, operate, or manage properties except in the event of
12 a foreclosure on a borrower or grantee.

13 (e) (1) Notwithstanding any other law, a housing developer or
14 service provider that provides housing or services pursuant to this
15 article may provide housing or services to female veterans and
16 their children in women-only facilities in limited instances in which
17 a female veteran (A) has suffered any form of sexual abuse, trauma,
18 or intimidation or harassment while serving in the military and is
19 seeking treatment for that sexual abuse, trauma, or intimidation or
20 harassment, or (B) is seeking the housing or services as a result of
21 being a victim of sexual abuse or domestic violence.

22 (2) A housing developer or service provider that provides
23 housing or services to female veterans in women-only facilities
24 pursuant to paragraph (1) shall ensure that the housing or services
25 shall provide supportive housing or services with a focus on, among
26 others, treating the effects of military sexual abuse, trauma, or
27 intimidation in a gender-specific manner.

28 (3) For purposes of this subdivision, “women-only facilities”
29 means the facilities may house and provide services to female
30 veterans only and their children, and shall not house or provide
31 services to any adult who is not a dependent of a female veteran.

32 (f) In administering the programs established under this article,
33 the departments shall do all of the following:

34 (1) Make program funds available at the same time funds, if
35 any, are made available under the Multifamily Housing Program
36 (Chapter 6.7 (commencing with Section 50675) of Part 2 of
37 Division 31 of the Health and Safety Code).

38 (2) Rate and rank applications in a manner consistent with the
39 Multifamily Housing Program (Chapter 6.7 (commencing with
40 Section 50675) of Part 2 of Division 31 of the Health and Safety

1 Code), except that the department may establish additional point
2 categories for the purposes of rating and ranking applications that
3 seek funding pursuant to this article in addition to those used in
4 the Multifamily Housing Program.

5 (3) Administer funds subject to this article in a manner consistent
6 with the Multifamily Housing Program (Chapter 6.7 (commencing
7 with Section 50675) of Part 2 of Division 31 of the Health and
8 Safety Code).

9 (4) Only applications serving veterans and meeting any
10 additional threshold requirements established by the departments,
11 shall be eligible to receive funds pursuant to this article.

12 SEC. 2. Article 3.3 (commencing with Section 987.300) is
13 added to Chapter 6 of Division 4 of the Military and Veterans
14 Code, to read:

15
16 Article 3.3. Supportive Housing Unit Petitions
17

18 987.300. (a) If a qualified entity is unable to locate, match, or
19 otherwise place a qualified tenant in a qualified unit within ~~14~~ 21
20 days of the qualified unit becoming available, the qualified entity
21 shall be eligible to submit, pursuant to this section, a petition to
22 the California Tax Credit Allocation Committee for purposes of
23 requesting authority to allow secondary tenants to be located,
24 matched to, or otherwise placed in the qualified units.

25 (b) The committee shall create or otherwise establish all of the
26 following by July 1, 2024:

27 (1) A standardized form for petitions that a qualified entity may
28 submit for the purpose described in subdivision (a).

29 (2) An online portal for the submission of the petition.

30 (3) If necessary, rules and regulations for the review of and
31 determination on the petitions that are consistent with the
32 requirements of this section.

33 (c) Within 30 days of receiving a petition pursuant to this
34 section, the committee shall do both of the following:

35 (1) Review the petition and make a determination of whether
36 the qualified unit is eligible to accept secondary tenants pursuant
37 to all applicable federal Internal Revenue Service and committee
38 guidelines, rules, and regulations, and other law.

39 (2) Provide a written determination to the qualified entity that
40 made the petition.

1 (d) For purposes of this section, the following definitions apply:

2 (1) “Extremely low income” has the same meaning as defined
3 in Section 50106 of the Health and Safety Code.

4 (2) *“Homeless” has the same meaning as defined in Section*
5 *578.3 of Title 24 of the Code of Federal Regulations, as that section*
6 *read on January 10, 2019.*

7 (2)

8 (3) “Project-based voucher” means a project-based voucher
9 issued under Section 8 of the United States Housing Act of 1937
10 (42 U.S.C. Sec. 1437f), including project-based federal Department
11 of Housing and Urban Development Veterans Supportive Housing
12 vouchers, as authorized by that federal act.

13 (3)

14 (4) “Qualified entity” means an entity that is responsible for
15 making referrals of qualified tenants to qualified units.

16 (4)

17 (5) “Qualified tenant” means an extremely low income ~~veteran~~
18 *veteran who is homeless.*

19 (5)

20 (6) “Qualified unit” means a supportive housing unit restricted
21 to extremely low income veterans that is funded or otherwise
22 supported at least in part by a project-based voucher.

23 (6)

24 (7) “Secondary tenants” means a veteran *who is homeless* who
25 has an income of up to 60 percent of the area median income.

26 (7)

27 (8) “Supportive housing unit” has the same meaning as defined
28 in Section 987.003.

29 (8)

30 (9) “Veteran” has the same meaning as defined in Section
31 987.003.

