

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 639

Housing Assistance Grants

**SPONSOR(S):** Pafford

**TIED BILLS:**

**IDEN./SIM. BILLS:** SB 726

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	<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1)	Military & Local Affairs Policy Committee		Nelson	Hoagland
2)	Elder & Family Services Policy Committee			
3)	Economic Development & Community Affairs Policy Council			
4)	Full Appropriations Council on General Government & Health Care			
5)				

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**SUMMARY ANALYSIS**

The State Office on Homelessness was established within the Department of Children and Family Services to provide interagency coordination on issues relating to homelessness. Currently, the office administers homeless housing assistance grants for the construction or rehabilitation of transitional or permanent housing units for homeless persons. This bill will expand the eligible uses of these grants to include the purchase of existing properties.

The bill has an effective date of July 1, 2009, and does not have a fiscal impact.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives:

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Present Situation**

##### The State Office on Homelessness

The State Office on Homelessness was established within the Department of Children and Family Services in 2001 pursuant to s. 420.622, F.S., to provide interagency coordination on issues relating to homelessness. The office has an executive director who is appointed by the Governor, and is advised by the Council on Homelessness, a 15-member board of public and private agency representatives.

The Office on Homelessness, pursuant to the policies set by the council and subject to the availability of funding, is required to:

- coordinate among state, local and private agencies and providers to produce a statewide consolidated program and financial plan for the state's entire system of homeless programs;
- collect, maintain and make available information concerning persons who are homeless or at risk for homelessness, including demographics information, current services and resources available, the cost and availability of services and programs, and the met and unmet needs of this population;
- annually evaluate state and local services and resources and develop a consolidated plan for addressing the needs of the homeless or those at risk for homelessness;
- explore, compile and disseminate information regarding public and private funding sources for state and local programs serving the homeless and provide technical assistance in applying for such funding;
- monitor and provide recommendations for coordinating the activities and programs of local coalitions for the homeless and promote the effectiveness of programs addressing the needs of the homeless;
- provide technical assistance to facilitate efforts to establish, maintain and expand local homeless assistance continuums of care;

- develop and assist in the coordination of policies and procedures relating to the discharge or transfer from the care or custody of state-supported or state-regulated entities persons who are homeless or at risk for homelessness;
- spearhead outreach efforts for maximizing access by people who are homeless or at risk for homelessness to state and federal programs and resources;
- promote a federal policy agenda responsive to the needs of the homeless population in this state;
- develop outcome and accountability measures and promote and use such measures to evaluate program effectiveness and make recommendations for improving current practices in order to best meet the needs of the homeless;
- formulate policies and legislative proposals to address more effectively the needs of the homeless and coordinate the implementation of state and federal legislative policies;
- convene meetings and workshops of state and local agencies, local coalitions and programs, and other stakeholders for the purpose of developing and reviewing policies, services, activities, coordination and funding of efforts to meet the needs of the homeless;
- conduct or promote research on the effectiveness of current programs and propose pilot projects aimed at improving services;
- serve as an advocate for issues relating to homelessness; and
- investigate ways to improve access to participation in state funding and other programs for prevention and alleviation of homelessness to faith-based organizations and collaborate and coordinate with faith-based organizations.

### The Homeless Housing Assistance Grant

Pursuant to s. 420.622(5), F.S., the State Office on Homelessness, with the concurrence of the Council on Homelessness, may administer moneys appropriated to it to provide homeless housing assistance grants for the construction or rehabilitation of transitional or permanent housing units<sup>1</sup> for homeless persons. These moneys consist of any sums that the state may appropriate, as well as money received from donations, gifts, bequests, or otherwise from any public or private source.

The grants are made to the designated lead agency of the local homeless continuum of care,<sup>2</sup> which may contract with other entities to construct and/or rehabilitate housing. The designation of a lead

<sup>1</sup> The statutes do not define “housing units.” The term is defined in the Homeless Housing Assistance Grant Application Instructions as “a bedroom.” A one-bedroom dwelling counts as one unit. Likewise, a two-bedroom dwelling counts as two units, a three-bedroom dwelling is three units, and so forth. Efficiency dwellings are counted as one unit. Single room occupancy dwellings are counted based on the number of rooms with each room counted as a unit, regardless of number of persons housed in the room, or number of beds.

<sup>2</sup> Pursuant to s. 420.624, F.S., a local homeless assistance continuum of care is a framework for a comprehensive and seamless array of emergency, transitional and permanent housing, and services to address the needs of homeless persons and persons at risk for homelessness. The nature and configuration of housing and services may be unique to each community or region, depending on local needs, assets and preferences. Communities or regions seeking to implement a local homeless assistance continuum of care are encouraged to develop and annually update a written plan that includes a vision for the continuum of care, an assessment of the supply of and demand for housing and services for the homeless population, and specific strategies and processes for providing the components of the continuum of care. Each local homeless assistance continuum of care plan must designate a lead agency that will serve as the point of contact and accountability to the State Office on Homelessness. The lead agency may be a local homeless coalition, municipal or county government, or other public agency or private, not-for-profit corporation.

agency by the Office on Homelessness is done in consultation local homeless coalitions and public or private organizations that have previously certified to the U.S. Department of Housing and Urban Development that they currently serve as lead agencies for a local homeless assistance continuum of care.<sup>3</sup>

Grant applicants are ranked competitively. Preference is given to applicants who leverage additional private funds and public funds, particularly federal funds designated for the construction and rehabilitation of transitional or permanent housing for homeless persons, who build or rehabilitate the greatest number of units, and who build or rehabilitate in catchment areas having the greatest need for housing for the homeless.

Funding for a particular project may not exceed \$750,000, with the maximum percentage of funds that may be spent on administrative costs capped at five percent. As a condition of receiving grant dollars, the housing must be reserved for occupancy by homeless persons for at least 10 years. No more than two grants are awarded annually in any given local homeless assistance continuum of care catchment area.<sup>4</sup>

The Office on Homelessness is required to establish performance measures to evaluate the performance of lead agencies that receive grant funds. Each lead agency for which grants are made must provide the office with a thorough evaluation of the effectiveness of the program in achieving its stated purpose. In evaluating the performance of the lead agencies, the Office on Homelessness must base its criteria upon the program objectives, goals and priorities that were set forth by the agencies in their proposals for funding. Such criteria may include, but not be limited to, number of homeless individuals provided shelter, food, counseling and job training.<sup>5</sup>

The Office on Homelessness is required to monitor the homeless housing assistance grants to ensure proper expenditure of funds and compliance with the conditions of the applicant's contract. The Department of Children and Family Services, with input from the Council on Homelessness, adopts rules relating to the grants.<sup>6</sup>

The Homeless Housing Assistance Grant is funded in the Florida Department of Children and Families with a transfer of Local Government Housing Trust Fund<sup>7</sup> dollars from the Florida Housing Finance Corporation. Since 2001, the grant has helped to fund the creation of 2,725 units of housing to address the needs of Florida's homeless population. In 2008, the local continuum of care plans identified a need for transitional and permanent housing to serve 24,302 persons.<sup>8</sup>

Currently, the grant may not be used to acquire existing structures.

### **Effect of Proposed Changes**

HB 639 amends s. 420.622(5), F.S., to expand the eligible uses of the Homeless Housing Assistance Grant to include the purchase of existing properties.

The bill provides an effective date of July 1, 2009.

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<sup>3</sup> Section 420.624(6), F.S.

<sup>4</sup> Section 420.622(5), F.S.

<sup>5</sup> Section 420.622(6), F.S.

<sup>6</sup> Section 420.622(7) and (8), F.S.

<sup>7</sup> Section 420.9079, F.S., creates the Local Government Housing Trust Fund in the State Treasury. The fund is administered by the Florida Housing Finance Corporation, and derived from documentary stamp tax revenues.

<sup>8</sup> January 20, 2009, analysis by the Florida Department of Children and Families.

B. SECTION DIRECTORY:

Section 1: Amends s. 420.622(5), F.S., relating to the State Office on Homelessness.

Section 2: Provides an effective date.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The proposed bill does not increase the cost of the Homeless Housing Assistance Grant program, but adds a new allowable use of the grant.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require the counties or cities to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill may necessitate additional rule-making by the Department of Children and Families pursuant to s. 420.622(8), F.S.

C. DRAFTING ISSUES OR OTHER COMMENTS:

**Other Comments**

Considering the current real estate market, it may be advantageous to allow for the purchase of existing properties to add to the available homeless housing inventory.

## The State Office on Homelessness

The State Office on Homelessness indicates that the bill will provide more flexibility to the grant program and project sponsors by allowing the grant to cover the purchase of housing. The grant awards will continue to be based on the statutory preference criteria: the number of housing units created to serve the homeless; the leveraging of other funds; and the need for housing to serve the homeless in the community. The change in allowable uses will not change the maximum grant award level of \$750,000.<sup>9</sup>

### **IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**

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<sup>9</sup> January 20, 2009, analysis by the Florida Department of Children and Families.