

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on Health and Human Services

BILL: PCS/SB 68 (415562)

INTRODUCER: Appropriations Subcommittee on Health and Human Services and Senator Book

SUBJECT: Homelessness

DATE: February 17, 2020

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Delia</u>	<u>Hendon</u>	<u>CF</u>	Favorable
2.	<u>Sneed</u>	<u>Kidd</u>	<u>AHS</u>	Recommend: Fav/CS
3.	<u> </u>	<u> </u>	<u>AP</u>	<u> </u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/SB 68 makes a number of changes to chapter 420, F.S., relating to homelessness, to bring state laws in line with corresponding federal statutes in order to eliminate outdated provisions and allow sources of federal funding matches to be accessed on an expedited basis. The bill adds two members to the Council on Homelessness. Additionally, the bill makes several changes to challenge grants provided by the State Office on Homelessness within the Department of Children and Families (DCF or department) to the local homeless continuums of care (CoC), which are dedicated to preventing and ending homelessness throughout the state. The bill increases the amount of challenge grant funds each CoC lead agency may receive annually from \$500,000 to \$750,000, and requires each CoC lead agency to document the commitment of local government or private organizations to provide matching funds or in-kind support in an amount equal to 25 percent of the grant requested.

The bill will have an insignificant fiscal impact on state government expenditures.

The bill takes effect July 1, 2020.

II. Present Situation:

Housing for Individuals with Lower Incomes

In 1986¹ the Legislature found that:

- Decent, safe, and sanitary housing for individuals of very low income, low income, and moderate income is a critical need in the state;
- New and rehabilitated housing must be provided at a cost affordable to such persons in order to alleviate this critical need;
- Special programs are needed to stimulate private enterprise to build and rehabilitate housing in order to help eradicate slum conditions and provide housing for very-low-income persons, low-income persons, and moderate-income persons as a matter of public purpose; and
- Public-private partnerships are an essential means of bringing together resources to provide affordable housing.²

As a result of these findings, the Legislature determined that legislation was urgently needed to alleviate crucial problems related to housing shortages for individuals with very low,³ low⁴ and moderate⁵ incomes. In 1986, part VI of ch. 420, F.S., was titled as the “Florida Affordable Care Act of 1986”⁶ and programs and funding mechanisms were created over the years to help remedy low-income housing issues.

State Office on Homelessness

In 2001, the Legislature created the State Office on Homelessness within the Department of Children and Families (DCF) to serve as a central point of contact within state government on homelessness. The State Office on Homelessness is responsible for coordinating resources and programs across all levels of government, and with private providers that serve the homeless. It also manages targeted state grants to support the implementation of local homeless service continuum of care plans.⁷

¹ Chapter 86-192, Laws of Fla.

² Section 420.6015, F.S.

³ “Very-low-income persons” means one or more persons or a family, the total annual adjusted gross household income of which does not exceed 50 percent of the median annual adjusted gross income for households within the state, or 50 percent of the median annual adjusted gross income for households within the metropolitan statistical area (MSA) or within the county in which the person or family resides, whichever is greater.

⁴ “Low-income persons” means one or more persons or a family, the total annual adjusted gross household income of which does not exceed 80 percent of the median annual adjusted gross income for households within the state, or 80 percent of the median annual adjusted gross income for households within the metropolitan statistical area (MSA) or within the county in which the person or family resides, whichever is greater.

⁵ “Moderate-income persons” means one or more persons or a family, the total annual adjusted gross household income of which is less than 120 percent of the median annual adjusted gross income for households within the state, or 120 percent of the median annual adjusted gross income for households within the metropolitan statistical area (MSA) or within the county in which the household is located, whichever is greater.

⁶ Chapter 86-192, Laws of Fla., Part VI, was subsequently renamed the “Affordable Housing Planning and Community Assistance Act” in Chapter 92-317, Laws of Fla.

⁷ Section 420.622(1), F.S.

Council on Homelessness

The inter-agency Council on Homelessness was also created in 2001. The 17-member council is charged with developing recommendations on how to reduce homelessness statewide and advising the State Office on Homelessness.⁸ The council includes:

- The Secretary of the DCF, or his or her designee;
- The Executive Director of the Department of Economic Opportunity, or his or her designee, who shall advise the Council on issues related to rural development;
- The State Surgeon General, or his or her designee;
- The Executive Director of the Department of Veterans' Affairs, or his or her designee;
- The Secretary of the Department of Corrections, or his or her designee;
- The Secretary of the Agency for Health Care Administration, or his or her designee;
- The Commissioner of Education, or his or her designee;
- The Director of CareerSource Florida, Inc., or his or her designee;
- The Executive Director of the Florida Housing Finance Corporation, or his or her designee;
- A representative of the Florida Association of Counties;
- A representative of the Florida League of Cities;
- A representative of the Florida Supportive Housing Coalition;
- A representative of the Florida Coalition for the Homeless; and
- Four members appointed by the Governor.⁹

The council members serve as nonpaid volunteers and are reimbursed only for travel expenses. The council members are appointed to staggered 2-year terms. The council is required to meet at least four times per year.¹⁰

Local Coalitions for the Homeless

The DCF is required to establish local coalitions to plan, network, coordinate, and monitor the delivery of services to the homeless.¹¹ Groups and organizations provided the opportunity to participate in such coalitions include:

- Organizations and agencies providing mental health and substance abuse services;
- County health departments and community health centers;
- Organizations and agencies providing food, shelter, or other services targeted to the homeless;
- Local law enforcement agencies;
- Local workforce development boards;
- County and municipal governments;
- Local public housing authorities;
- Local school districts;
- Local organizations and agencies serving specific subgroups of the homeless population such as veterans, victims of domestic violence, persons with HIV/AIDS, and runaway youth; and

⁸ *Id.*

⁹ Section 420.622, F.S.

¹⁰ *Id.*

¹¹ Section 420.623, F.S.

- Local community-based care alliances.¹²

Continuum of Care

A local coalition serves as the lead agency for the local homeless assistance continuum of care (CoC).¹³ A local CoC is a framework for a comprehensive and seamless array of emergency, transitional, and permanent housing, and services to address the various needs of the homeless and those at risk of homelessness.¹⁴ The purpose of a CoC is to help communities or regions envision, plan, and implement comprehensive and long-term solutions.¹⁵

The DCF interacts with the state's 27 CoCs through the State Office on Homelessness, which serves as the state's central point of contact on homelessness. The State Office on Homelessness has designated local entities to serve as lead agencies for local planning efforts to create homeless assistance CoC systems. The State Office on Homelessness has made these designations in consultation with the local homeless coalitions and the Florida offices of the federal Department of Housing and Urban Development (HUD).

The CoC planning effort is an ongoing process that addresses all subpopulations of the homeless. The development of a local CoC plan is a prerequisite to applying for federal housing grants through HUD. The plan also makes the community eligible to compete for the state's Challenge Grants and Homeless Housing Assistance Grants.¹⁶

Challenge Grants

The State Office on Homelessness is authorized to accept and provide moneys appropriated for Challenge Grants annually to designated lead agencies of homeless assistance CoCs.¹⁷ The State Office on Homelessness may award grants in an amount of up to \$500,000 per lead agency.¹⁸ A lead agency may spend a maximum of 5 percent of its funding on administrative costs. To qualify for the grant, a lead agency must develop and implement a local homeless assistance continuum of care plan for its designated area.¹⁹ There is no dedicated revenue for these grants which in the past have been funded by the Sadowski State and Local Housing Trust Funds, the General Revenue Fund, and state trust funds.

Pursuant to s. 420.624, F.S., the DCF provides funding for the local homeless assistance CoCs, which serve as the framework for providing an array of emergency, transitional, and permanent housing, and services to address the various needs of homeless persons and persons at risk of becoming homeless.

¹² *Id.*

¹³ *Id.*

¹⁴ Section 420.624, F.S.

¹⁵ *Id.*

¹⁶ Florida Department of Children and Families, *Lead Agencies*, available at: <http://www.myflfamilies.com/service-programs/homelessness/lead-agencies> (last visited October 18, 2019).

¹⁷ "Section 420.621(1), F.S., defines "Continuum of Care" to mean the community components needed to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency. It includes action steps to end homelessness and prevent a return to homelessness."

¹⁸ Section 420.622, F.S.

¹⁹ *Id.*

In 2017, the Collier homeless coalition used challenge grant funding to help the Shelter for Abused Women & Children with staffing of two case managers who work in outreach and transitional housing, and the remainder of the funds provided emergency rental or utility assistance to nearly 89 adults and 129 children.²⁰ The Volusia/Flagler coalition used challenge grant funding to help lower-income residents pay rent following job losses, car accidents, and other costly expenses.²¹ The Tampa-Hillsborough Homeless Initiative used challenge grant money to establish a financial incentive program for developers, landlords, and property owners which has successfully reduced homelessness in Hillsborough County.²²

Rapid ReHousing

Rapid ReHousing is a model for providing housing for individuals and families who are homeless. The model places a priority on moving a family or individual experiencing homelessness into permanent housing as quickly as possible, hopefully within 30 days of a client becoming homeless and entering a program. While originally focused primarily on people experiencing homelessness due to short-term financial crises, programs across the country have begun to assist individuals and families who are traditionally perceived as more difficult to serve. This includes people with limited or no income, survivors of domestic violence, and those with substance abuse issues. Although the duration of financial assistance may vary, many programs find that, on average, four to six months of financial assistance is sufficient to stably re-house a household.²³

Since federal funding for rapid re-housing programs first became available in 2008, a number of communities, including Palm Beach County that prioritized rapid re-housing as a response to homelessness, have seen decreases in the amount of time that households spend homeless, less recidivism, and improved permanent housing outcomes relative to other available interventions.²⁴

There are three core components of Rapid ReHousing programs:

- Housing identification services: Households are matched to appropriate and affordable housing in the community.
- Financial assistance for housing related expenses: Time-limited financial assistance is provided to get individuals and families back on their feet.
- Case management services: Case management services are provided to help households address barriers that prevent access to or stable housing.²⁵

While all three components are found in effective rapid rehousing programs, there are instances where the components are provided by different entities or agencies, or where a household does

²⁰ <https://www.news-press.com/story/news/2018/07/04/gov-rick-scott-acts-resolve-homeless-grant-funding-southwest-florida-agencies/757846002/> (last visited October 18, 2019).

²¹ <https://www.gainesville.com/news/20180703/state-moves-to-fund-homeless-programs> (last visited October 18, 2019).

²² The University of Tampa, *Cypress Landing Cost-Benefit Analysis Report*, (2015). On file with the Senate Children, Families, and Elder Affairs Committee.

²³ National Alliance to End Homelessness, *Rapid Re-Housing: A History and Core Components*, (2014), available at: <http://www.endhomelessness.org/library/entry/rapid-re-housing-a-history-and-core-components> (last visited October 9, 2019).

²⁴ *Id.*

²⁵ *Id.*

not utilize all three.²⁶ A key element of rapid rehousing is the “Housing First” philosophy, which offers housing without preconditions such as employment, income, lack of a criminal background, or sobriety. If issues such as these need to be addressed, the household can address them most effectively once they are in housing.²⁷

III. Effect of Proposed Changes:

Section 1 amends s. 420.621, F.S., modifying the definition of ‘continuum of care’ to mean a group organized to carry out responsibilities imposed under ch. 420, F.S., to coordinate, plan, and pursue ending homelessness in a designated catchment area. The bill provides that a CoC should be comprised of local community organizations to the extent that they are represented within the catchment area and available to participate.

The bill defines ‘continuum of care lead agency’ or ‘continuum of care collaborative applicant’ as the organization designated by a CoC pursuant to s. 420.6225, F.S.

The bill also redefines ‘homeless’ to mean either:

- An individual or family who lacks a fixed, regular, and adequate nighttime residence as defined under ‘homeless’ in federal statute; or
- An individual or family who will immediately lose their primary nighttime residence as defined under ‘homeless’ in federal statute.

Section 2 amends s. 420.622, F.S., adding to the Council on Homelessness the Secretary of the Department of Elder Affairs, or his or her designee; and a representative of the Florida Housing Coalition. The bill clarifies that only the members appointed by the Governor are to serve staggered 2-year terms and encourages the Governor to appoint individuals that have experience in administering or providing resources, services, or housing that address the needs of persons experiencing homelessness.

The bill replaces the term ‘regionally developed plans’ with the term ‘local continuum of care plans’ to bring state law in line with federal law. The bill also requires the State Office on Homelessness to collect, maintain, and make available information concerning persons who are homeless, including summary demographics information drawn from the local continuum of care Homeless Management Information System or the annual Point-In-Time Count and the local continuum of care Housing Inventory Chart required by HUD. The bill specifies that all entities receiving state funding that provide the council with data on homelessness must provide summary aggregated data, and no individual identifying information. The bill replaces in statute all instances of the term ‘local homeless continuum of care’ and ‘local homeless assistance coalition’ with ‘continuum of care.’

The bill revises the goals of the State Office on Homelessness to promote a federal policy agenda that is responsive to the needs of those who are homeless or at risk of homelessness, rather than only the current homeless population. The bill modifies policy objectives to reflect an emphasis on ending homelessness in the state, as opposed to meeting the needs of the homeless.

²⁶ *Id.*

²⁷ The Florida Legislature expressed the intent to encourage homeless continuums of care to adopt the Housing First approach to ending homelessness for individuals and families in 2009. See s. 420.6275, F.S.

The bill increases the maximum amount of challenge grant awards available to each CoC lead agency from \$500,000 to \$750,000, and requires each lead agency to document in writing the commitment of local government or private organizations to provide matching funds or in-kind support in an amount equal to 25 percent of the grant requested. Grant applicants will be ranked competitively based on criteria determined by the State Office on Homelessness. Challenge grant funding for Fiscal Year 2019-2020 was \$3.2 million in recurring funds from the General Revenue Fund.²⁸

The bill changes the requirement that projects reserve for a minimum of 20 years rather than 10 years, the number of housing units acquired, constructed, or rehabilitated through homeless housing assistance grant funds.

The bill also increases the cap on administrative costs for the State Office on Homelessness, and CoC lead agencies who administer the grant to 10 percent.

Section 3 creates s. 420.6225, F.S., to provide that the purpose of a CoC is to coordinate community efforts to prevent and end homelessness in its catchment area. The bill requires each CoC to designate a collaborative applicant that is responsible for submitting a CoC funding application for the designated catchment area to HUD. The bill provides that the collaborative applicant shall serve as the point of contact to the State Office on Homelessness. The bill also requires the State Office on Homelessness to designate and revise as necessary CoC catchment areas which must be consistent with the catchment areas recognized by HUD. The bill requires the State Office on Homelessness to recognize only one CoC lead agency for each catchment area.

The bill requires each CoC to create a ‘continuum of care plan,’ that includes outreach to unsheltered individuals and families, a coordinated entry system for services, identification of emergency shelters, identification of permanent supportive housing, Rapid ReHousing as specified in ch. 420, F.S., and an ongoing planning mechanism to end homelessness for all populations of persons experiencing homelessness.

The bill also requires CoCs to promote participation by all interested individuals and organizations and may not exclude anyone on the basis of race, color, national origin, sex, handicap, familial status, or religion. The bill also provides for coordination of these individuals and organizations, to the extent possible, with other mainstream health and social services.

Section 4 creates s. 420.6227, F.S., to align the state grant-in-aid program language and requirements²⁹ with federal laws pertaining to homelessness³⁰, which will allow the state to apply for federal matching dollars more efficiently. The bill replaces references to ‘local agencies’ with references to ‘continuums of care’.

Section 5 repeals s. 420.623, F.S., relating to local coalitions for the homeless.

²⁸ Specific Appropriation 346 s. 3, Chapter 2019-115, Laws of Fla.

²⁹ Section 420.625, F.S.

³⁰ See 24 C.F.R. § 576, 24 C.F.R. § 578, 42 U.S.C. § 11383, and 42 U.S.C. § 11360.

Section 6 repeals s. 420.624, F.S., relating to local homeless assistance continuums of care.

Section 7 repeals s. 420.625, F.S., relating to the grant-in-aid program.

Section 8 amends s. 420.626, F.S., making technical revisions to discharge guidelines for homelessness facilities and institutions.

Section 9 amends s. 420.6265, F.S., to revise legislative intent with respect to the Rapid ReHousing strategy. The bill expands legislative intent to provide that Rapid ReHousing is a cost effective approach to ending homelessness and is proven to be more cost effective than alternative approaches. The approach uses temporary financial assistance to quickly move families and individuals into permanent housing and help them remain housed using housing stabilization support services.

Section 10 amends s. 420.6275, F.S., to revise legislative intent with respect to the Housing First methodology. The bill provides findings that the Housing First strategy is a cost effective approach to ending homelessness and reducing the length of time individuals or families are homeless. The bill also provides legislative intent to emphasize maintaining stable housing under the housing first approach.

Section 11 amends s. 420.507, F.S., to correct two cross references.

Section 12 provides an effective date of July 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

PCS/SB 68 will have an insignificant fiscal impact on state government expenditures.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 420.621, 420.622, 420.626, 420.6265, 420.6275, and 420.507.

This bill creates the following sections of the Florida Statutes: 420.6225 and 420.6227.

This bill repeals the following sections of the Florida Statutes: 420.623, 420.624, and 420.625.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS by Appropriations Subcommittee on Health and Human Services on February 13, 2020:

The committee substitute removes the requirement that \$10 million of all documentary stamp tax money collected annually by the state be dedicated to funding the Grants and Donations Trust Fund within the Department of Children and Families for the challenge grant program.

B. Amendments:

None.