

# RCRC Proposal for Rural Access to Housing and Services (February 26, 2020)

## General Principles

- Dedicated allocation of homelessness assistance and prevention funding for rural areas, defined as counties with a population under 600,000 and cities within those counties.
- Specific rules for the uses of the rural allocation funding that are reflective of the unique needs and challenges of low population, remote (and often very poor) communities.
- Strong accountability metrics *consistent with the foregoing rural implementation structure*.
- Targeted policy revisions to facilitate implementation of rural allocation objectives in small communities.

## Dedicated Allocation for Rural Areas

- Rural counties have per capita homeless populations that often equal or exceed suburban and urban counties,<sup>1</sup> but only a fraction of the resources. Further, both the homeless population and limited resources are typically spread over a larger geographic area, presenting unique challenges.
- Allocation formulas based on PIT count (or total population) usually result in very small allocations to rural counties – amounts too small to implement effective programs.<sup>2</sup> Additionally, fiscal provisions common for larger counties – such as match requirements – are often an insurmountable barrier for small jurisdictions, given the shortage of local public resources and fewer nonprofit partners.

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<sup>1</sup> For example, Humboldt County has a PIT count less than a third of San Diego – but a *per capita* homelessness rate *nearly five times as high* (0.012 for Humboldt vs. 0.024 for San Diego). Similar disparities may be seen by comparing other rural homelessness rates (e.g., 0.0064 for Alpine/Inyo/Mono; 0.0052 for San Luis Obispo; 0.0088 for Mendocino) with urban rates (e.g., 0.0035 for Sacramento; 0.0011 for Riverside). (Rates are expressed 2019 PIT Count "Total Homeless Persons" divided by 1/1/19 "Total Population" as reported by DOF, found here: [https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/?filter\\_Year=2019&filter\\_Scope=CoC&filter\\_State=CA&filter\\_CoC=&program=CoC&group=PopSub](https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/?filter_Year=2019&filter_Scope=CoC&filter_State=CA&filter_CoC=&program=CoC&group=PopSub) and here: [http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-1/documents/E-1\\_2019\\_InternetVersion.xls](http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-1/documents/E-1_2019_InternetVersion.xls) respectively.)

<sup>2</sup> For example, Alpine, Inyo, and Mono Counties – *and their CoC* – received only \$733,546.24 *total* from HHAP *for the entire three-county region*. These funds need to serve a homeless population spread out over an area of more than 33,000 square miles – larger than eleven *states*.

- To address these concerns, we propose that a portion of the Governor’s proposed \$750M be dedicated to rural areas as follows:
  - Define rural areas as counties under 600,000 population, and cities within those counties.
    - This is consistent with thresholds used in recent housing legislation, and reflects a logical division point between rural regions (largest is Stanislaus) and suburban/urban regions (smallest is San Joaquin).
  - Allocate \$187.5M (25% of the \$750M) specifically to rural counties.
    - Rural counties (as defined above) contain approximately 17.3% of California's population – but, for the reasons noted above, an equivalent amount Governor's proposed funding would not provide sufficient dollars for effective solutions in many rural areas. Raising the rural allocation to 25% will allow for a minimum distribution sufficient to ensure that even the smallest counties have adequate funding for meaningful interventions (see below), while also keeping the more heavily impacted rural communities “whole,” and allowing them to receive a full distribution commensurate with their PIT count.
  - Divide the \$187.5M between rural counties based on PIT count, with a minimum allocation of \$1,500,000 for each county.
  - Administration of funds at the county level, in consultation with cities, services providers, homeless persons advocates, and other stakeholders.
    - Regional administration, as proposed by the Governor, may have arguable merits in urban jurisdictions, but adds unnecessary complication and administrative burden in rural communities. Rural counties have a stronger history of inter-governmental cooperation - and already function as "regional" administrators of health and human services in many areas (given the smaller cities, larger unincorporated populations, and relative scarcity of nonprofit partners in rural communities).

**Rural Funding Uses Consistent with Rural Needs**

- The rural allocation should permit the full range of funding uses proposed in the Administration’s trailer bill<sup>3</sup> – and should also provide an *expanded range of uses*

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<sup>3</sup> California Access to Housing and Services Act, Trailer Bill Language Proposed for Early Action, § 13053, subd. (c) – available at: <https://esd.dof.ca.gov/dofpublic/public/trailerBill/pdf/81>

reflecting the special challenges and “on-the-ground” experience in rural communities. Further, rural allocation funding should not be “siloed” in a manner that leaves successful, high-demand programs under-resourced, while other funding segments go unused due to lack of local opportunities.

- Rural communities face unique challenges in effectively addressing homelessness. The homeless population is often geographically dispersed, complicating housing and service provision. Even when funding allocations are larger per capita, they are typically much smaller overall than urban amounts, often making large capital projects (e.g., substantial supportive housing developments) infeasible. Moreover, rural governments – and community nonprofits – frequently lack the resources to make long-term financial commitments, severely limiting approaches that are common and effective in urban areas.
- Rural counties should be allowed to implement solutions that are tailored to these challenges and individual community needs, in order to effectively utilize rural allocation to achieve the goals of Housing First. Permitted uses should both allow innovation, and encourage approaches that have proven effective in rural areas – such as:
  - Napa County (population 140,000) has implemented a flexible housing funding pool, which includes many of the approaches proposed by the Administration – but also addresses other barriers that have repeatedly arisen in rural areas.<sup>4</sup> Among other things, Napa’s program uses funding to incentivize landlords to rent to vulnerable populations, including providing assistance with security deposits, furnishings, and repair of tenant damages.
- AB 2034 (Steinberg)<sup>5</sup> was enacted in 2000 with the goal of doing “whatever it takes” to reduce homelessness among the mentally ill. Before the program was defunded during the recession, it was successfully implemented for nearly a decade in 35 jurisdictions, including 17 rural counties. Data-driven analyses by both the Administration and outside experts repeatedly emphasized that *flexibility* was the key to the “promising” and “impressive” outcomes of this program.<sup>6</sup> The wide range of funding uses permitted under AB 2034 including the following with particular promise for rural communities:

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<sup>4</sup> See University of Southern California, Homelessness Policy Research Institute, *Flexible Housing Subsidy Programs* (Aug. 6, 2018), available at: <https://socialinnovation.usc.edu/wp-content/uploads/2018/10/Flexible-Housing-Subsidy-Literature-Review-with-Cover-10.5.18.pdf> - pp. 2-3.

<sup>5</sup> Statutes 2000, chapter 518. The program was defunded in the 2008-09 budget. Additional background information about the program may be found here: <http://histpubmh.semel.ucla.edu/archive/key-california-legislation-ab-2034>

<sup>6</sup> See, e.g., California Health and Human Services Agency, *Effectiveness of Integrated Services for Homeless Adults with Serious Mental Illness: A Report to the Legislature as Required by Division 5, Section 5814, of the California Welfare and Institutions Code* (May 2003), available at: <http://histpubmh.semel.ucla.edu/sites/default/>

- Motel vouchers for short-term housing assistance (e.g., in communities too small to host a traditional shelter or transitional housing).
  - Providing "24/7" support for landlords who agree to rent to formerly homeless individuals, and actively recruiting landlords to participate.
  - "Wrap-around" funding for small purchases of personal necessities (e.g., food, clothing, soap, etc.) for homeless persons, to encourage participation and assist with transition.
  - Master leasing apartments, which may be sublet to house homeless persons.
  - Training and technical assistance for public agency staff, nonprofit partners, law enforcement, and other stakeholders to facilitate better outcomes.
  - Short-term, one-time, and/or "shallow" rent subsidies allowing finite funds to be stretched among a larger number of recipients.
- Funding inpatient beds for mentally ill homeless persons, including "patch" amounts for placements costing more than the Medi-Cal reimbursement rate, as well as related expenses for such placements.
    - As the Governor has noted, there is an increasing need to revisit the thresholds for involuntary mental health placement (see below). Less visible, however – but no less important, is the increasing shortage and cost of inpatient beds for persons who are conserved (or who need and voluntarily accept inpatient treatment). Additionally, few inpatient mental health facilities are located in rural communities, increasing transportation and related costs to place and maintain individuals needing treatment. Inpatient mental health care and stabilization is a critical transition step for a segment of the homeless population, with which other interventions will inevitably fail. Rural counties should be allowed to use the rural allocation to fund these necessary services.
  - Other low-barrier interim interventions allowing rural communities to utilize comparatively small dollar amounts to provide assistance to large numbers of people, including traditional shelters, safe parking programs, "tiny homes" and cabin communities, and similar solutions.

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[files/archival/8a7e9bff\\_AB2034\\_may2003.pdf](https://www.csh.org/wp-content/uploads/2011/12/Report_AB20341.pdf) and M. Burt and J. Anderson, Corporation for Supportive Housing, *AB2034 Program Experiences in Housing Homeless People with Serious Mental Illness* (Dec. 2005), available at: [https://www.csh.org/wp-content/uploads/2011/12/Report\\_AB20341.pdf](https://www.csh.org/wp-content/uploads/2011/12/Report_AB20341.pdf)

- Authorize and encourage collaboration and financial participation with other housing programs for persons at risk of homelessness – e.g., probation and supervised release programs providing housing to persons exiting incarceration.
- Allow additional innovative uses of funding to incentivize the development of creative new assistance programs and housing opportunities not specified.

### **Accountability Metrics Consistent with Rural Implementation Structure**

- Rural counties agree with both the Governor and the Legislative Analyst that strong accountability measures are absolutely necessary to ensure that any allocation of funds relating to homelessness produces measurable and timely results. However, those accountability measures and metrics must account for the *full range of successful outcomes* contemplated under the program – including accurately measuring “success” within the unique context of rural areas discussed above.
  - An expanded range of permissible funding uses will not be helpful or productive, if the accountability measures effectively force jurisdictions to select among a much narrower range of approaches that are less effective in rural areas. For example, accountability metrics focused solely on permanent housing outcomes will disincentivize emergency and transitional assistance – which, as noted above, are often the highest need (and only cost-effective option) in remote rural areas. Similarly, metrics that measure outcomes only for unsheltered persons will fail to account for (and thus disincentivize) *prevention* of homelessness among persons currently at risk.
- There are a number of proven metrics for measuring the full range of success in flexibly-funded homeless assistance programs, such as:
  - The Administration's 2003 report to the Legislature on AB 2034<sup>7</sup> included measures that compared the following factors in the 12 months prior to and following enrollment in the program:
    - Number of Days Hospitalized
    - Number of Days Incarcerated
    - Number of Days Homeless
    - Number of Days Employed (Full-Time)
    - Number of Days Employed (Part-Time)

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<sup>7</sup> See footnote 6, above.

- Similarly, the U.S. Department of Housing and Human Services has surveyed a number of potential performance metrics for homeless-serving programs, including giving credit for "Number/Percent of Homeless Individuals Enrolled Whose Housing Condition is Upgraded," with points for each successive upgrade category (i.e., street, emergency shelter, transitional housing, permanent housing).<sup>8</sup>
- The Governor's recent State of the State address has likewise embraced the full range of "clear metrics" for success, including not just permanent housing, but also "number of people stabilized with rent subsidies," and "number of people moved off the streets."
- Permanent housing is, of course, the goal of all homelessness assistance programs. However, with finite funds in small communities, success is also measured in smaller ways. One night, or one month - or six - off the streets may make an immense difference in a person's life, and providing some assistance - even short-term - to the largest number of homeless and at-risk persons can change attitudes in an entire rural community.

### **Policy Revisions to Facilitate Implementation of Rural Allocation Objectives**

- CEQA and other litigation relief for navigation center, shelter, and other homeless serving projects.
  - Assembly Bill 1197 (Santiago) last year provided a CEQA exemption for certain homeless shelter and supportive housing projects in Los Angeles. This year, Assembly Bill 1907 (Santiago, et al.) would expand that exemption statewide. Rural counties support such efforts to exempt critically needed shelter and housing for the homeless from CEQA, and would further support limiting other types of "NIMBY" lawsuits against publicly funded shelter projects.
- "Good Samaritan" liability relief for public agencies that allow the use of public property to house or support the homeless (including trailers, "tiny homes," safe parking programs, and safe camping sites) – similar in concept to the proposed immunity for religious entities set forth in Assembly Bill 3066 (Lackey). This would expand upon and strengthen the existing immunity provided under the Shelter Crisis Act (Gov. Code, § 8698.1).

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<sup>8</sup> U.S. Department of Health & Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Core Performance Indicators for Homeless-serving Programs Administered by the U.S. Department of Health and Human Services* (Sept. 1, 2003), available at: <https://aspe.hhs.gov/execsum/core-performance-indicators-homeless-serving-programs-administered-us-department-health-and-human-services>

- The Governor has placed significant emphasis on utilizing available public property to shelter and otherwise provide safe locations for homeless persons. However, the prospect of civil liability for injuries and damage to (or caused by) homeless persons in such locations is a significant disincentive for local agencies. It is proposed that the limited immunity for jurisdictions that have declared a “shelter crisis” be expanded to provide stronger and clearer liability protection. This will encourage local governments to partner with the State in making such properties available, as proposed by the Governor.
- Review and, as necessary, reform the Lanterman-Petris-Short Act to ease barriers to needed mental health conservatorships, with due regard for civil liberties and resource limitations.
  - Involuntary mental health treatment under the LPS Act is an important tool to provide needed mental health care and stabilization for some of the most vulnerable homeless persons, which is the critical first step toward transitioning them out of homelessness. At the same time, such conservatorships represent a significant deprivation of personal liberty, and consequently must be approached with great sensitivity for civil liberties and due process. Many counties have reported inconsistency in the application of current LPS conservatorship thresholds, and that these thresholds do not strike the right balance between providing care and protecting personal rights. Rural counties support comprehensive review of these thresholds and related provisions (e.g., detention and review periods) to determine where improvements can be made to ensure appropriate care – and protections – for some of the neediest Californians.
- Make conforming changes to the Mental Health Services Act to expand the permissible uses consistent with the foregoing objectives (e.g., by including substance abuse treatment, etc.) *while preserving counties existing allocations.*