

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/CS/HB 979 Homelessness

**SPONSOR(S):** Appropriations Committee; Economic Development & Tourism Subcommittee; Peters and others

**TIED BILLS:**           **IDEN./SIM. BILLS:** CS/SB 1090

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee	11 Y, 0 N, As CS	Duncan	West
2) Appropriations Committee	26 Y, 0 N, As CS	Proctor	Leznoff
3) Economic Affairs Committee			

### SUMMARY ANALYSIS

The Office of Homelessness (Office) within the Department of Children and Families (DCF) is responsible for coordinating resources and programs that serve the homeless across all levels of government and with private providers. The Office also manages targeted state grants to support the implementation of local homeless service continuum of care (CoC) plans.

The Office, with the concurrence of the Homelessness Council, is authorized to accept and administer moneys appropriated to it to provide "Challenge Grants" annually to lead agencies for homeless assistance CoCs designated by the Office. The Department of Economic Opportunity (DEO) is required to secure the necessary expertise to provide training and technical assistance to local government and state agency staffs, community-based organizations, and to persons forming community-based organizations for the purpose of developing new housing or rehabilitating existing housing.

The bill modifies the training and technical assistance program under the Affordable Housing Planning and Community Assistance Act (Act), to provide that an acceptable use of the Act is to meet the needs of the homeless. The bill amends the Act to provide that, subject to a specific appropriation in the General Appropriations Act (GAA), training and technical assistance is available for designated lead agencies of homeless assistance CoCs to provide or secure housing and other services for the homeless and directs DEO to contract with a nonprofit entity to provide such training and technical assistance. The bill modifies qualifications and eligible activities for "Challenge Grants" administered by the Office.

The bill provides that the provisions authorized pursuant to this act are contingent upon a specific legislative appropriation, and has no direct impact to state or local government revenues.

The bill provides an effective date of July 1, 2014.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

##### State Office on Homelessness and the Council on Homelessness

In 2001, the Legislature established the State Office on Homelessness (Office) and the Council on Homelessness (Council) within the Department of Children and Families (DCF).<sup>1</sup> The Office's duties are based on the policies established by the Council and funding availability and include coordinating state, local, and private agencies and providers to produce a program and plan to meet the needs of persons who are experiencing homelessness. The Office also collects and disseminates data and public information, monitors and provides technical assistance to local coalitions, develops policy and legislative proposals, serves as an advocate for issues related to homelessness, and prepares an annual report and recommendations to the Legislature and Governor.<sup>2</sup>

The Council, which is required to develop policy and advise the Office, consists of 17 members representing state agencies, local governments, homeless advocacy organizations, and private entities. Council members are appointed for two-year terms and the Council is required to meet at least four times a year.<sup>3</sup>

##### Local Coalitions for the Homeless/Local Homeless Assistance Continuums of Care

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.<sup>4</sup> The purpose of a CoC is to help communities or regions envision, plan, and implement comprehensive and long-term solutions in a community or region.<sup>5</sup>

DCF interacts with the state's 28 CoCs through the Office, which serves as the state's central point of contact on homelessness. The Office has recognized and designated local entities to serve as lead agencies for local planning efforts to create homeless assistance CoC systems. The Office has made these designations in consultation with the local homeless coalitions and the Florida offices of the U.S. Department of Housing and Urban Development (HUD).

The CoC planning effort is an ongoing process that addresses all subpopulations of the homeless. Participation of all interested individuals and organizations is encouraged, including those who are or have been homeless. Faith-based organizations are encouraged to participate, along with state and regional offices that administer mainstream program resources such as Medicaid, food stamps, employment assistance, welfare assistance, and mental health services.<sup>6</sup>

The development of a local CoC plan is a prerequisite to applying for federal housing grants through HUD. The plan also makes a community eligible to compete for the state's "Challenge Grant" and Homeless Housing Assistance Grant.<sup>7</sup>

#### *Challenge Grant*

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<sup>1</sup> Section 10, ch. 2001-98, L.O.F., codified at s. 420.622, F.S.

<sup>2</sup> See s. 420.622(3) and (9), F.S.

<sup>3</sup> Section 420.622(2), F.S.

<sup>4</sup> Section 420.624(1), F.S.

<sup>5</sup> Section 420.624(2), F.S.

<sup>6</sup> Florida Department of Children and Families, Lead Agencies, available at: <http://www.myflfamilies.com/service-programs/homelessness/lead-agencies> last accessed on February 8, 2014.

<sup>7</sup> *Id.*

The Office, with the concurrence of the Council, is authorized to accept and administer moneys appropriated to it to provide "Challenge Grants" annually to designated lead agencies for local homeless assistance CoCs. A lead agency may be a local homeless coalition, municipal or county government, public agency, or private, not-for-profit corporation. The Office may award grants in an amount of up to \$500,000 per lead agency and eight percent of the grant award may be used for administrative expenses.<sup>8</sup> To qualify for the grant, a lead agency must develop and implement a local homeless assistance CoC plan for its designated catchment area.<sup>9</sup> Preference must be given to lead agencies that:<sup>10</sup>

- have demonstrated the ability of their CoC to provide quality of services to homeless persons and the ability to leverage federal homeless-assistance funding under the Stewart B. McKinney Act and private funding for services provided to homeless persons; and
- are located in catchment areas with the greatest need for housing and services to the homeless, relative to the population of the catchment area.

#### *Homeless Housing Assistance Grant*

The Office, with the concurrence of the Council, is authorized to accept and administer moneys appropriated to it to provide homeless housing assistance grants annually to lead agencies for local homeless assistance CoCs. The grants may not exceed \$750,000 per project and an applicant may spend a maximum of five percent of its funding on administrative costs. The grant funds must be used to acquire, construct, or rehabilitate transitional or permanent housing units for homeless persons. The funds may be appropriated or donated from any public or private source.<sup>11</sup>

#### 2013 Annual Report - Council on Homelessness<sup>12</sup>

In its 2013 Annual Report, the Council on Homelessness issued the following recommendations:

- The state should appropriate resources to the Florida Housing Finance Corporation to produce housing for households with extremely low income, homeless households, and persons with special needs.
- The state should continue recurring funding for local homeless coalitions and lead agencies sufficient to ensure capacity to secure federal resources targeted to reduce homelessness.
- The state should provide a flexible source of financial aid to local homeless coalitions and lead agencies to fund priority services and housing for the homeless.
- Prioritize a state pilot program to conduct a cost benefit analysis of providing affordable housing linked with support services for high utilizers of crisis services.

#### Florida Housing Finance Corporation

The Florida Housing Finance Corporation (FHFC) operates as a public corporation within the Department of Economic Opportunity (DEO) and is the state's affordable housing finance agency.<sup>13</sup> The FHFC works to increase the supply of safe, affordable housing for households with very low to moderate incomes by stimulating the investment of private capital and encouraging public and private sector housing partnerships. The FHFC administers federal and state resources to finance the development and preservation of affordable homeowner and rental housing and assists homebuyers with financing and Down Payment Assistance.<sup>14</sup>

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<sup>8</sup> Section 420.622(4), F.S.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> Section 420.602(5), F.S.

<sup>12</sup> Department of Children and Families, Florida's Council on Homelessness, 2013 Report, June 2013, *available at* <http://www.dcf.state.fl.us/programs/homelessness/docs/2013CouncilReport.pdf>.

<sup>13</sup> The Florida Housing Finance Corporation is a separate budget entity and is not subject to the control, supervision, or direction of the Department of Economic Opportunity. *See* s. 420.504, F.S.

<sup>14</sup> *See* ss. 420.501-420.55, F.S., relating to the Florida Housing Finance Corporation.

*Training and Technical Assistance Program*

The Legislature established the Training and Technical Assistance Program (Program) to provide community-based organizations and state and local government staff with the necessary training and technical assistance to meet the needs of very low- and low-income persons for standard affordable housing.<sup>16</sup>

The training component must be designed to build the housing development capacity of community-based organizations and local governments as a permanent resource for the benefit of communities in the state. Training activities may include workshops, seminars, and programs developed in conjunction with state universities and community colleges.<sup>17</sup>

The technical assistance component must be designed to assist applicants for state-administered programs in developing applications and in expediting project implementation. Technical assistance activities for the staffs of community-based organizations and local governments who are directly involved in the production of affordable housing may include workshops for program applicants, onsite visits, and guidance in achieving project completion.<sup>18</sup>

DEO is required to secure the necessary expertise to provide training and technical assistance to local government and state agency staffs, community-based organizations, and to persons forming community-based organizations for the purpose of developing new housing or rehabilitating existing housing. Such housing must be affordable for moderate income-, low- and very low-income persons.<sup>19</sup> To meet these requirements, DEO is authorized to:

- enter into contacts with the federal government or with other state agencies, local governments, or with any other person, association, or corporation, or entity;
- seek and accept funding from any public or private source; and
- adopt and enforce rules consistent with the Program.

*Affordable Housing Catalyst Program*

The FHFC is required to operate the Affordable Housing Catalyst Program (Catalyst Program) for the purpose of securing the expertise necessary to provide specialized technical support to local governments and community-based organizations to implement affordable housing programs such as the State Housing Initiatives Program (SHIP).<sup>20</sup> Providing affordable housing training and technical assistance must be the primary mission of the non-profit tax exempt entity selected by the FHFC. The entity must have the ability to provide training and technical assistance statewide and a proven track record of successfully providing training and technical assistance under the Catalyst Program. The technical support must, at a minimum, include training relating to the following key elements:<sup>21</sup>

- formulation of local and regional housing partnerships as a means of bringing together resources to provide affordable housing;
- implementation of regulatory reforms to reduce the risk and cost of developing affordable housing;
- implementation of affordable housing programs included in local government comprehensive plans; and
- compliance with requirements of federally funded housing programs.

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<sup>15</sup> Sections 420.601, F.S. – 420.609, F.S., are known as the “Affordable Housing Planning and Community Assistance Act.”

<sup>16</sup> Section 420.606(2), F.S.

<sup>17</sup> Section 420.606(3)(a), F.S.

<sup>18</sup> Section 420.606(3)(b), F.S.

<sup>19</sup> Section 420.606(3), F.S.

<sup>20</sup> Section 420.531, F.S.

<sup>21</sup> Section 420.531 (1)-(4), F.S.

In 2004,<sup>22</sup> the Legislature transferred the Catalyst Program from the Department of Community Affairs<sup>23</sup> to the FHFC. According to the FHFC, in October 2004, the FHFC Board approved a three-year contract with the Florida Housing Coalition as the provider under the Catalyst Program. In subsequent years (2007, 2010, and 2013), the FHFC Board issued solicitations for new Catalyst Program contracts. In each of those three years, the Florida Housing Coalition was the only respondent and was awarded the contract each time.<sup>24</sup>

## **Effect of Proposed Changes**

### Training and Technical Assistance Program

The bill adds provisions to provide designated lead agencies of homeless CoCs with training and technical assistance to meet the needs of the homeless as a purpose of the Program.

DEO, subject to a specific appropriation in the GAA for that purpose, is directed to provide training and technical assistance to designated lead agencies of homeless assistance CoCs, which receive funding from DCF to provide or secure housing, programs, and other services for homeless persons. Such training and technical assistance must be provided by a nonprofit entity that meets the requirements for providing training and technical assistance under the Catalyst Program.

### Challenge Grant

The bill modifies the requirements for Challenge Grants, as follows:

- Local homeless coalitions, municipal or county government, or other public agencies, or private not-for-profit corporations are no longer explicitly authorized to act as a lead agency.
- DCF must establish varying levels of grant awards up to \$500,000 per lead agency. The award levels must be based upon the total population within the CoC catchment area and reflect the differing degrees of homelessness in the catchment planning areas.
- DCF, in consultation with the Council, must specify a grant award level in the notice of the solicitation of grant applications.
- The CoC plan must implement a coordinated assessment or central intake system to screen, assess, and refer persons seeking assistance to the appropriate service provider.

The lead agency is required to:

- document the commitment of local government and private organizations to provide matching funds or in-kind support in an amount to the requested amount of the grant; and
- submit a final report to DCF documenting the outcomes achieved by the grant in enabling homeless persons to return to permanent housing.

The lead agency is authorized to:

- allocate the grant to programs, services, or housing providers that implement the local homeless assistance CoC plan; and
- provide subgrants to a local agency to implement programs or services or provide housing identified for funding in the lead agency's application to DCF.

### Funding

The bill provides that the provisions authorized pursuant to this act are contingent upon a specific legislative appropriation.

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<sup>22</sup> Section 3, ch. 2004-243, L.O.F.

<sup>23</sup> The Department of Community Affairs was abolished by the Legislature during the 2011 legislative session and most of its programs and functions were incorporated into the newly created Department of Economic Opportunity. See ch. 2011-142, L.O.F.

<sup>24</sup> Florida Housing Finance Corporation, Email to House Economic Development & Tourism Subcommittee staff – March 7, 2014.

Email on file.

**B. SECTION DIRECTORY:**

- Section 1: Amends s. 420.606 (1)–(3), F.S., relating to training and technical assistance program.
- Section 2: Amends s. 420.622(4), F.S., relating to the State Office on Homelessness; and the Council on Homelessness.
- Section 3: Provides that the provisions authorized pursuant to this act are contingent upon a specific legislative appropriation.
- Section 4: Provides that the bill is effective July 1, 2014.

**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 bill provides that the provisions authorized pursuant to this act are contingent upon a specific legislative appropriation.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

**1. Applicability of Municipality/County Mandates Provision:**

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

**2. Other:**

None.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On March 25, 2014, the House Economic Development & Tourism Subcommittee adopted an amendment and passed the bill as a committee substitute. The committee substitute:

- removes the provision in the bill, which directed the FHFC to distribute four percent of the total amount distributed each fiscal year from the Local Government Housing Trust Fund to DCF and DEO; and
- provides that the funding authorized pursuant to this act is subject to legislative appropriation.

The analysis has been updated to reflect the amendment.

On April 10, 2014, the House Appropriations Committee adopted three amendments and passed the bill as a committee substitute. The committee amendments:

- make a technical change to remove a reference to s. 420.9073 (7), F.S.;
- provide that training and technical assistance by designated lead agencies of homeless assistance continuums of care are subject to a specific appropriation in the GAA;
- provide that matching funds or in-kind support in an amount equal to the grant requested must be documented by the lead agency;
- provide that the provisions authorized in this act are contingent upon a specific legislative appropriation.

The analysis has been updated to reflect the amendments.