

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/CS/HB 1235 Housing Assistance

**SPONSOR(S):** Appropriations Committee; Children, Families & Seniors Subcommittee, Miller, Brodeur and others

**TIED BILLS:**           **IDEN./SIM. BILLS:** SB 1534

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Children, Families & Seniors Subcommittee	11 Y, 0 N, As CS	Langston	Brazzell
2) Appropriations Committee	24 Y, 0 N, As CS	Proctor	Leznoff
3) Economic Affairs Committee			

### SUMMARY ANALYSIS

According to the 2015 Annual Homeless Assessment Report, Florida has the third highest number of persons who are homeless in the United States and a high percentage of unsheltered homelessness, meaning individuals who are homeless who stay in places not meant for human habitation.

There are a number of government programs and public-private partnerships that seek to provide affordable housing and reduce homelessness. The State Office on Homelessness (SOH) within the Department of Children and Families (DCF) serves as the central point of contact within state government for homelessness. SOH coordinates resources and programs across all levels of government and with private providers that serve individuals who are homeless. DCF is required to establish local coalitions to plan, network, coordinate, and monitor the delivery of services to the homeless.

The Florida Housing Finance Corporation (FHFC) is a public corporation that provides affordable housing through a number of programs, including the State Apartment Incentive Loan (SAIL) and State Housing Initiatives Partnership (SHIP) programs. The SAIL program provides low-interest loans on a competitive basis to affordable housing developers each year. The SHIP program provides funds to local governments to create partnerships that produce and preserve affordable homeownership and multifamily housing for very low, low and moderate-income families.

HB 1235 provides greater flexibility and increases accountability for programs receiving public funds to address homelessness by:

- Authorizing rapid re-housing as a strategy to address homelessness. Rapid re-housing is a model for providing housing for individuals and families who are homeless that places a priority on moving a family or individual experiencing homelessness into permanent housing as quickly as possible, ideally within 30 days.
- Creating a task force within SOH to make recommendations regarding the implementation of a Statewide Homeless Management Information System (HMIS).
- Changing the performance measures used by SOH to specific outcomes rather than outputs.
- Requiring SOH to establish performance measures and specific objectives by which to evaluate the performance and outcomes of lead agencies that receive grant funds.
- Requiring SOH to distribute grant funds based on lead agencies' performance and achievement of specified objectives.
- Modifying how SAIL program funds are distributed to certain tenant groups.
- Broadens the definition of "rent subsidy" under the SHIP program to include initial assistance to tenants, such as grants or loans for security and utility deposits, which had been previously disallowed.
- Clarifying the instances in which local governments participating in the SHIP program may provide ongoing rental assistance.
- Requiring the SOH and SHIP programs to engage the managing entities when addressing homelessness.
- Prohibiting a housing authority from applying to the federal government to seize a project, unit, or voucher of another established housing authority, regardless of each housing authority's areas of operation.
- Addressing the receipt of future funding from the federal National Housing Trust Fund. The federal National Housing Trust Fund was established in 2008. The goal of the trust fund is to provide ongoing, permanent, dedicated, and sufficient sources of revenue to build, rehabilitate, and preserve 1.5 million units of housing for the lowest-income families, including the homeless.

The bill does not appear to have a fiscal impact on state or local government.

The bill provides an effective date of July 1, 2016.

**This document does not reflect the intent or official position of the bill sponsor or House of Representatives.**

**STORAGE NAME:** h1235c.APC

**DATE:** 2/17/2016

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Present Situation

There are three main categories of persons who are homeless:

- *Sheltered homeless persons*: individuals who are staying in emergency shelters, transitional housing programs, or safe havens;
- *Unsheltered homeless persons*: individuals who stay in places not meant for human habitation, such as the streets, abandoned buildings, vehicles, or parks; and
- *Chronically homeless persons*: homeless individuals with disabilities who have been either continuously homeless for a year or more or have experienced at least four episodes of homelessness in the last three years.<sup>1</sup>

According to the 2015 Annual Homeless Assessment Report, Florida has the third highest number of persons who are homeless in the United States<sup>2</sup> and a high percentage of unsheltered homelessness, including a high number of unsheltered chronically homeless people.<sup>3</sup> However, while the number of homeless individuals is high, Florida had the largest decrease in homelessness from 2014 to 2015, reducing its homeless population by 5,642 individuals, or 13.6 percent.<sup>4</sup>

#### Housing First

In recent years, there has been a shift in the response to homelessness toward the Housing First philosophy.<sup>5</sup> Housing First provides a critical link between the emergency and transitional housing system and community-based social service, educational, and health care organizations.<sup>6</sup> This approach to homelessness differs from traditional approaches by providing housing assistance, case management, and support services responsive to individual or family needs after housing is obtained and emphasizes that social services provided to enhance individual and family well-being can be more effective when people are in their own home.<sup>7</sup> The Housing First approach addresses the societal causes of homelessness and advocates for the immediate return of individuals and families into housing and communities.<sup>8</sup>

#### Rapid Re-Housing

Rapid re-housing is a model for providing housing for individuals and families who are homeless that places a priority on moving a family or individual experiencing homelessness into permanent housing as quickly as possible, ideally within 30 days.<sup>9</sup> The rapid re-housing model developed from the Housing First philosophy.<sup>10</sup> The model initially focused primarily on people experiencing homelessness

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<sup>1</sup> U.S. Department of Housing and Urban Development, *The 2015 Annual Homeless Assessment Report (AHAR) to Congress, PART 1: Point-in-Time Estimates of Homelessness*, (November 2015), available at <https://www.hudexchange.info/resources/documents/2015-AHAR-Part-1.pdf> (last visited January 22, 2016).

<sup>2</sup> Id. at 12. More than half of the homeless population in the United States was in five states: CA (21% or 115,738 people), NY (16% or 88,250 people), FL (6% or 35,900 people), TX (4% or 23,678 people), and MA (4% or 21,135 people).

<sup>3</sup> Id. at 23, 63. Over half of Florida's homeless population is estimated to be unsheltered; additionally, nearly 80 percent of Florida's chronically homeless are estimated to be unsheltered.

<sup>4</sup> Id. at 12-13. This is part of a larger trend for Florida, which has a decline in number of homeless individuals since 2007; Florida experienced a decline of 12,169 homeless individuals, or 25.3 percent, from 2007 to 2015.

<sup>5</sup> Mary Cunningham, Sarah Gillespie, and Jacqueline Anderson, *Rapid Re-housing: What the Research Says*, Urban Institute, (June 2015), pp. 8-9.

<sup>6</sup> S. 420.6275(2)(b), F.S.

<sup>7</sup> S. 420.6275(2)(a), F.S.

<sup>8</sup> Id.

<sup>9</sup> National Alliance to End Homelessness, *Rapid Re-Housing: A History and Core Components*, (2014), available at: <http://www.endhomelessness.org/page/-/files/RRH%20Core%20Elements%20Brief.pdf> (last visited January 22, 2016).

<sup>10</sup> 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. S. 420.6275(1), F.S.

due to short-term financial crises; however, programs across the country have begun to assist individuals and families who are traditionally perceived as more difficult to serve.<sup>11</sup>

There are three core components of rapid re-housing 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 stability in stable housing.<sup>12</sup>

In 2008, the U.S. Department of Housing and Urban Development (HUD) expanded rapid re-housing through the Rapid Re-Housing for Homeless Families Demonstration program, which provided funds for pilot programs across the country.<sup>13</sup> In 2009, Congress established rapid re-housing as an eligible activity for federal Emergency Shelter Grants program funds.<sup>14</sup> Since federal funding for rapid re-housing first became available, 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, reduced recidivism to homelessness, and improved permanent housing outcomes relative to other available interventions.<sup>15</sup>

### Affordable Housing for Low Income Individuals

In 1986, the Legislature created the “Florida Affordable Care Act of 1986”<sup>16</sup> to help alleviate crucial problems related to housing shortages for individuals with very low,<sup>17</sup> low,<sup>18</sup> and moderate incomes,<sup>19</sup> based on its findings 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.<sup>20</sup>

### State Office on Homelessness

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<sup>11</sup> *Supra*, note 9. Those perceived as more difficult to serve include people with limited or no income, survivors of domestic violence, and those with substance abuse issues.

<sup>12</sup> *Supra*, note 5.

<sup>13</sup> *Supra*, note 12 at 9.

<sup>14</sup> *Id.*

<sup>15</sup> *Supra*, note 9.

<sup>16</sup> Ch. 86-192, Laws of Fla. created part VI of ch. 120, F.S.; Part VI was subsequently renamed the “Affordable Housing Planning and Community Assistance Act.” Ch. 92-317, Laws of Fla.

<sup>17</sup> “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. S. 420.0004(17), F.S.

<sup>18</sup> “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 MSA or within the county in which the person or family resides, whichever is greater. S. 420.0004(11), F.S.

<sup>19</sup> “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 MSA or within the county in which the household is located, whichever is greater. S. 420.0004(12), F.S.

<sup>20</sup> S. 420.6015, F.S.

In 2001, the Florida Legislature created the State Office on Homelessness (SOH) within the Department of Children and Families (DCF) to serve as the central point of contact within state government for homelessness. SOH 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.<sup>21</sup>

### *Council on Homelessness*

Also in 2001, the Legislature created the inter-agency Council on Homelessness. The 17-member council develops recommendations on how to reduce homelessness statewide and advises the SOH.<sup>22</sup>

### *Local Coalitions for the Homeless*

DCF is required to establish local coalitions to plan, network, coordinate, and monitor the delivery of services to the homeless.<sup>23</sup> 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;
- Regional workforce boards;
- County and municipal governments;
- Local public housing authorities;
- Local school districts and local organizations and agencies serving specific subgroups of the homeless population such as veterans, victims of domestic violence, persons with HIV/AIDS, runaway youth; and
- Local community-based care alliances.<sup>24</sup>

### *Continuum of Care*

The local coalition serves as the lead agency for the local homeless assistance continuum of care.<sup>25</sup> Section 420.621(1), F.S., defines “continuum of care” as 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.

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 various needs of the homeless and those at risk of homelessness.<sup>26</sup> The purpose of this framework is to help communities and regions envision, plan, and implement comprehensive and long-term solutions.<sup>27</sup>

The local homeless assistance continuum of care planning effort is an ongoing process that addresses all subpopulations of the homeless. The development of a local continuum of care plan is a prerequisite to applying for federal housing grants through HUD and makes the community eligible to compete for the state’s Challenge Grant and Homeless Housing Assistance Grant.<sup>28</sup>

### *Challenge Grants*

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<sup>21</sup> S. 420.622(1), F.S.

<sup>22</sup> Id.

<sup>23</sup> S. 420.623, F.S.

<sup>24</sup> Id.

<sup>25</sup> S. 420.624, F.S.

<sup>26</sup> Id.

<sup>27</sup> Id.

<sup>28</sup> Florida Department of Children and Families, *Lead Agencies*, <http://www.myflfamilies.com/service-programs/homelessness/lead-agencies> (last visited January 22, 2016).

In 2001, the Florida established the Challenge Grant and authorized SOH to accept and administer moneys appropriated to it to provide Challenge Grants annually to designated lead agencies of homeless assistance continuums of care. SOH may award grants in an amount of up to \$500,000 per lead agency.<sup>29</sup> In order to qualify for a grant, the lead agency must develop and implement a local homeless assistance continuum of care plan for its designated area.<sup>30</sup>

DCF must establish award levels for Challenge Grants specifying criteria to determine award levels and, after consultation with the Council on Homelessness, to specify the grant award levels in the notice of solicitation of grant applications.<sup>31</sup> Any lead agency that receives a Challenge Grant must submit reports to DCF detailing its use of the grant funds.<sup>32</sup>

The Challenge Grant was funded out of an appropriation to DCF through Fiscal Year 2012-13.<sup>33</sup> In 2014, the Challenge Grant was funded through the Florida Housing Finance Trust Fund,<sup>34</sup> and DCF awarded 15 of the 28 lead agencies Challenge Grant funding in 2014.<sup>35</sup>

### *Homeless Housing Assistance Grants*

SOH is authorized to accept and administer moneys appropriated to it to provide Homeless Housing Assistance Grants annually to lead agencies of local homeless assistance continuum of care.<sup>36</sup> 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; funds must be used to acquire, construct, or rehabilitate transitional or permanent housing units for homeless persons.<sup>37</sup>

### Florida Housing Finance Corporation

The Legislature created the Florida Housing Finance Agency in 1980.<sup>38</sup> The Legislature reconstituted it as a public corporation, the Florida Housing Finance Corporation (FHFC), in 1997.<sup>39</sup> The duties of the FHFC are to

- Encourage the investment of private capital in residential housing through the use of public financing to deal with the problem of disintermediation;<sup>40</sup>
- Stimulate the construction and rehabilitation of residential housing
- Facilitate the purchase and sale of existing residential housing;
- Provide construction and mortgage loans for projects; and
- Make loans to and purchase mortgage loans from private lending institutions.<sup>41</sup>

FHFC provides affordable housing opportunities through a number of programs, including the State Apartment Incentive Loan (SAIL) and State Housing Initiatives Partnership (SHIP) programs.

### *State Apartment Incentive Loan (SAIL) Program*

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<sup>29</sup> Section 420.622, F.S.

<sup>30</sup> Id.

<sup>31</sup> Department of Children and Families, Agency Analysis of 2015 Senate Bill 1500 (Mar. 9, 2015) p. 2 (on file with Children, Families, and Seniors Subcommittee staff).

<sup>32</sup> Id.

<sup>33</sup> Id.

<sup>34</sup> Id. For fiscal year 2015-2015, the Legislature provided a specific appropriation of \$3,800,000 to DCF for the grants and DEO received \$200,000 for training and technical assistance. S. 6, ch. 15-232, Laws of Fla.

<sup>35</sup> *Supra*, note 31

<sup>36</sup> Department of Economic Opportunity, Agency Analysis of 2015 House Bill 379 (Jan. 22, 2015.) p. 2 (on file with Children, Families, and Seniors Subcommittee staff).

<sup>37</sup> Id.

<sup>38</sup> Ch. 80-161, Laws of Fla.

<sup>39</sup> Ch. 97-167, Laws of Fla.; as a public corporation, FHFC was no longer a department of the executive branch of state government.

<sup>40</sup> Disintermediation is the elimination of intermediaries in a supply chain, or "cutting out the middlemen," in connection with a transaction or a series of transactions

<sup>41</sup> S. 420.502(7), F.S.

The Legislature created the SAIL program in 1988<sup>42</sup> for the purpose of providing mortgage loans or loan guarantees to sponsors, including for-profit, nonprofit, and public entities, to provide housing affordable to very-low-income persons.<sup>43</sup>

The SAIL program provides low-interest loans on a competitive basis to affordable housing developers each year.<sup>44</sup> This funding often serves to bridge the gap between the development's primary financing and the total cost of the development and is available to individuals, public entities, not-for-profit or for-profit organizations that propose the construction or substantial rehabilitation of multifamily units affordable to very low-income individuals and families.<sup>45</sup>

SAIL program funds must be distributed in a manner that meets the need and demand for very low-income housing throughout the state. The need and demand must be determined by using the most recent statewide low-income rental housing market studies available. SAIL program funding is reserved for use within statutorily defined counties (large, medium, and small)<sup>46</sup> and for properties providing units for specified tenant groups.

During the first 6 months of loan or loan guarantee availability, program funds must be reserved for use by sponsors who provide the required housing set-aside for specified tenant groups. Currently, the reservation of funds within each notice of fund availability to the tenant groups is as follows:

- For commercial fishing workers, farmworkers, families and elderly persons the reservation of funds may not be less than 10 percent of the funds available at that time;
- For persons who are homeless the reservation of funds may not be less than 5 percent of the funds available at that time; and
- For persons with special needs the reservation of funds may not be more than 10 percent of the funds available at that time.<sup>47</sup>

The University of Florida's Shimberg Center for Housing Studies<sup>48</sup> prepares the rental housing market study for the Florida Finance Housing Corporation (FHFC).<sup>49</sup> Below is a comparison of the actual need based on the most recent Rental Market Study compared to the current statutory reservation requirements for the specified tenant groups:

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<sup>42</sup> Ch. 88-376, Laws of Fla.

<sup>43</sup> S. 420.5087, F.S.

<sup>44</sup> For fiscal year 2015-2015, the Legislature provided a specific appropriation of \$48 million to fund the construction or rehabilitation of units through the sail program. S. 6, ch. 15-232, Laws of Fla.

<sup>45</sup> Florida Housing Finance Corporation, *State Apartment Incentive Loan Program*, available at:

[http://apps.floridahousing.org/StandAlone/FHFC\\_ECM/ContentPage.aspx?PAGE=0173](http://apps.floridahousing.org/StandAlone/FHFC_ECM/ContentPage.aspx?PAGE=0173) (last visited January 22, 2016).

<sup>46</sup> Section 420.5087(1), F.S., provides that funds must be allocated to the following categories of counties: counties that have a population of 845,000 or more ("large"); counties that have a population of more than 100,000 but less than 825,000 ("medium"); and counties that have a population of 100,000 or less ("small").

<sup>47</sup> Section 420.5087, F.S.

<sup>48</sup> Shimberg Center for Housing Studies is statutorily required to develop and maintain statewide data on housing needs and production, provide technical assistance relating to real estate development and finance, operate an information clearinghouse on housing programs, and coordinate state housing initiatives with local government and federal programs. S. 420.0003(4)(c), F.S.

<sup>49</sup> Shimberg Center for Housing Studies, University of Florida, *2013 Rental Market Study: Affordable Rental Housing Needs*, April 7, 2013, available at [http://www.shimberg.ufl.edu/publications/Full\\_RMS\\_Needs.pdf](http://www.shimberg.ufl.edu/publications/Full_RMS_Needs.pdf) (last visited January 22, 2016).

Specified Tenant Group	Actual Percentage of Total Households in Need in 2013	Current Statutory Reservation Requirements
Commercial fishing workers and farmworker households	4 percent	Not less than 10 percent
Persons who are homeless	10 percent	Not less than 5 percent
Persons with special needs	13 percent	Not more than 10 percent
Elder persons	20 percent	Not less than 10 percent
Families	53 percent	Not less than 10 percent

Under current law, the statutory requirement to reserve funds for the commercial fishing worker and farmworker household tenant group significantly exceeds the actual housing need for this group. The current statutory “cap” on the reservation for the persons with special needs (no more than 10 percent) did not allow the program to address the actual housing need for this group (13 percent) during the first 6 months of loan or loan guarantee availability.

### State Housing Initiatives Partnership (SHIP) Program

The Legislature created the SHIP program in 1992<sup>50</sup> to provide funds to local governments as an incentive to create partnerships that produce and preserve affordable homeownership and multifamily housing. The program was designed to serve very low, low, and moderate-income families and is administered by the Florida Housing Finance Corporation (FHFC). Funds for the SHIP program are derived from the collection of documentary stamp tax revenues, which are deposited into the Local Government Housing Trust Fund and then allocated to local governments each month on a population-based formula.<sup>51</sup>

As a component of the program, under section 420.606(3), F.S., the Department of Economic Opportunity (DEO) provides training and technical assistance to staff of state and local government entities, community-based organizations, and persons forming such organizations for the purpose of developing new housing and rehabilitating existing housing that is affordable for persons of very low income, low income, and moderate income. Funding is dependent upon a specific appropriation of the Legislature.<sup>52</sup> For Fiscal Year 2015-2016, the Legislature provided a specific appropriation of \$105 million to the SHIP program, and required that \$4 million of which be used to provide services to homeless persons.<sup>53</sup>

### Public Housing Authorities

The state role in housing and urban development is outlined in part I of ch. 421, F.S., (Housing Authorities Law), ch. 422, F.S., (Housing Cooperation Law), and ch. 423, F.S., (Tax Exemption of Housing Authorities). Section 421.02, F.S., finds that there is a shortage of safe or sanitary dwelling accommodations available at rents that persons of low income can afford. To provide such accommodations, housing authorities may acquire property to be used for, or in connection with, housing projects. Public money may only be spent to acquire private property for exclusively public uses and purposes, and the purposes must be determined to be governmental functions of public concern.

<sup>50</sup> Ch. 92-317, Laws of Fla.

<sup>51</sup> S. 420.9073, F.S.

<sup>52</sup> Department of Economic Opportunity, Agency Analysis of 2015 Senate Bill 1500 (Mar. 9, 2015) p. 2 (on file with Children, Families, and Seniors Subcommittee staff).

<sup>53</sup> Ch. 15-232, Laws of Fla.

## City, County, and Regional Housing Authorities

Florida Statutes provide for the creation of special district, city, county and regional housing authorities. Of the 110 public housing authorities in Florida,<sup>54</sup> 90 are special districts.<sup>55</sup> The determination of the need for a city housing authority may be made by the governing body of a city or upon the filing of a petition signed by 25 city residents. The mayor, with the approval of the governing body, appoints no fewer than five and no more than seven persons as commissioners of the authority.<sup>56</sup> The powers of each authority are vested in the commissioners and action may be taken upon a majority vote of the commissioners.<sup>57</sup> Housing authorities have the power to:

- Acquire, lease, and operate housing projects;
- Provide for the construction, reconstruction, improvement, alteration, or repair of any housing project;
- Lease or rent dwellings, houses, accommodations, lands, buildings, structures, or facilities embraced in any housing project; and
- Invest funds held in reserves or sinking funds.<sup>58</sup>

Section 421.27, F.S., governs the creation and powers of county housing authorities, which is similar to the creation of city housing authorities. A regional housing authority may be created by two or more contiguous counties if a regional entity would be a more economically or administratively efficient unit.<sup>59</sup>

### *Housing Authorities' Use of Federal Aid*

Section 421.21, F.S., empowers a housing authority to borrow money or accept grants or other financial assistance from the federal government for housing projects. This section also allows a housing authority to take over or lease or manage any housing project or undertaking constructed or owned by the federal government. In addition, an authority is authorized to do any and all things necessary or desirable to secure the aid or cooperation of the federal government for any housing project by the housing authority.

### Federal National Housing Trust Fund

In July 2008, the Housing and Economic Recovery Act was signed into law,<sup>60</sup> establishing a federal National Housing Trust Fund (NHTF), among other housing-related provisions. Although the NHTF has been established, a permanent funding stream has not been secured.<sup>61</sup> The goal of the NHTF is to provide ongoing, permanent, dedicated, and sufficient sources of revenue to build, rehabilitate, and preserve 1.5 million units of housing for the lowest-income families, including people experiencing homelessness, over the next 10 years. The NHTF particularly aims to increase and preserve the supply of rental housing that is affordable for extremely<sup>62</sup> and very low-income households, and increase homeownership opportunities for those households. To prevent funding for the NHTF from

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<sup>54</sup> Florida Housing Data Clearing House, *Public Housing Agency Results*, [http://flhousingdata.shimberg.ufl.edu/a/public\\_housing\\_agency?next=results&submit\\_submit.x=15&submit\\_submit.y=13&nid=1](http://flhousingdata.shimberg.ufl.edu/a/public_housing_agency?next=results&submit_submit.x=15&submit_submit.y=13&nid=1) (last visited January 22, 2016).

<sup>55</sup> Florida Department of Economic Opportunity, *Official List of Special Districts Online*, <https://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/websitelist.cfm> (last visited January 22, 2016).

<sup>56</sup> At least one commissioner must be a resident of a housing project or a person of low income who resides within the housing authority's jurisdiction and is receiving a rent subsidy. S. 4231.05(1), F.S.

<sup>57</sup> S. 421.06, F.S.

<sup>58</sup> S. 421.08, F.S.,

<sup>59</sup> S. 421.28, F.S.

<sup>60</sup> Public Law 110-289.

<sup>61</sup> The National Alliance to End Homelessness. *National Housing Trust Fund*, [http://www.endhomelessness.org/pages/national\\_housing\\_trust\\_fund](http://www.endhomelessness.org/pages/national_housing_trust_fund) (last visited January 22, 2016).

<sup>62</sup> "Extremely-low-income persons" means one or more persons or a family, the total annual adjusted gross household income of which does not exceed 30 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. S. 420.000(13), F.S.

competing with existing U.S. Department of Housing and Urban Development programs, this revenue is expected to be separate from the current appropriations process.<sup>63</sup>

### Managing Entities

In 2001, the Legislature authorized DCF to implement behavioral health managing entities as the management structure for the delivery of local mental health and substance abuse services.<sup>64</sup> The Legislature determined that a management structure, which places the responsibility for publicly financed behavioral health treatment and prevention services within a single private, nonprofit entity at the local level would promote improved access to care, promote service continuity, and provide efficient and effective delivery of substance abuse and mental health services.<sup>65</sup>

DCF currently contracts with 7 managing entities that in turn contract with local service providers for the delivery of mental health and substance abuse services.<sup>66</sup> Managing entities create and manage provider networks by contracting with service providers for the delivery of substance abuse and mental health services.

### **Effect of the Bill:**

#### Rapid Re-Housing

HB 1235 creates s. 420.6265, F.S., which authorizes the use of rapid re-housing as a strategy to address homelessness. The bill provides a statement of legislative intent, finding that:

- While emergency shelter and transitional housing programs may provide critical access to services for individuals and families in crisis, such programs often fail to address the long-term needs of individuals and families in crisis.
- Most individuals and families become homeless as a result of a financial crisis that prevents individuals and families from paying rent or a domestic conflict that results in one family member being ejected or leaving without resources or a plan for housing.
- Rapid re-housing is an alternative approach to the current system of emergency shelter or transitional housing that tends to reduce the length of time of homelessness and has proven to be cost effective.
- Rapid re-housing is a strategy of using temporary financial assistance and case management to quickly move an individual or family out of homelessness and into permanent housing.
- The Legislature encourages homeless continuums of care to adopt the rapid re-housing approach to preventing homelessness for individuals and families who do not require the intense level of supports provided in the permanent supportive housing model.

The bill provides that by using the rapid re-housing approach, communities can significantly reduce the amount of time that individuals and families are homeless and prevent further episodes of homelessness. The objective of rapid re-housing is to provide assistance for as short a time as possible so that the individual or family receiving assistance does not develop a dependency on the assistance. The bill also adds rapid re-housing as a component for local homeless assistance continuum of care plans.

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<sup>63</sup> *Supra*, note 61.

<sup>64</sup> Ch. 2001-191, Laws.

<sup>65</sup> S. 394.9082, F.S.

<sup>66</sup> Department of Children and Families *Managing Entities*, <http://www.myflfamilies.com/service-programs/substance-abuse/managing-entities> (last visited January 26, 2016).

*Statewide Homeless Management Information System (HMIS) Task Force*

The bill creates a task force within SOH to make recommendations regarding the implementation of a Statewide Homeless Management Information System (HMIS). The task force must:

- Define the conceptual framework of such a system;
- Study existing statewide HMIS models;
- Establish an inventory of local HMIS systems, including providers and license capacity;
- Examine the aggregated reporting being provided by local continuums of care;
- Complete an analysis of current continuum of care resources;
- Provide recommendations on the costs and benefits of implementing a statewide HMIS; and
- Make recommendations regarding the development of a statewide, centralized coordinated assessment system in conjunction with the implementation of a statewide HMIS.

The task force must report its findings regarding the implementation of a statewide HMIS to the Council on Homelessness no later than December 31, 2016, at which time the task force is abolished.

The bill also requires SOH to engage the managing entities when addressing homelessness. SOH must provide support to the managing entities' efforts to address the needs of the homeless populations within their geographic service areas, subject to available funding. Additionally, SOH must give the managing entities the opportunity to participate in local homeless coalitions.

*Performance Measures*

The bill changes the performance measures set by SOH from outputs to outcomes. The bill requires SOH, in conjunction with the Council on Homelessness, to establish performance measures and specific objectives by which it may evaluate the performance and outcomes of lead agencies that receive grant funds. Additionally, the bill requires SOH must distribute funding to lead agencies based on their overall performance and their achievement of specified objectives.

The bill changes the performance measures used to evaluate lead agencies from the number of homeless individuals provided shelter, food, counseling, and job training, to the:

- Number of persons or households that are no longer homeless;
- Rate of recidivism to homelessness; and
- Number of persons who obtain gainful employment.

These performance measures will better inform SOH about the progress lead agencies are making in reducing homelessness.

Additionally, for communities or regions that implement local homeless assistance continuum of care plans, the bill requires SOH, in conjunction with the Council on Homelessness, to include in the plan a methodology for assessing performance and outcomes. SOH is required to provide a standardized format for the reporting of performance and outcome data.

*Grant Awards*

The bill requires SOH to administer Challenge Grants. It removes the requirements that award levels be based upon the total population within the continuum of care catchment area and reflect the differing degrees of homelessness in the catchment planning areas. This will give SOH greater discretion in how it awards Challenge Grants.

The bill limits how the lead agencies may spend leveraged funds and resources that comprise the matching funds for grants received. Expenditures of these leveraged funds or resources must be

certified through a written commitment. Additionally, the bill limits the use of funds to eligible activities on projects that have not been used as leverage or match for any other project or program.

### State Apartment Incentive Loan (SAIL) Program

The bill amends s. 420.5087, F.S., to modify the reservation requirements under the SAIL program for three of the five specified tenant groups. The bill lowers the SAIL funding floor for commercial fishing workers and farmworkers from not less than 10 percent to not less than five percent. The bill increases the SAIL funding floor for persons who are homeless from five percent to 10 percent. The bill removes the cap on spending on persons with special needs, and replaces it with a SAIL funding floor of not less than 10 percent.

<b>Specified Tenant Group</b>	<b>Current Statutory Reservation Requirements</b>	<b>Statutory Reservation Requirements in HB 1235</b>
Commercial fishing workers and farmworkers	Not less than 10 percent	Not less than 5 percent
Persons who are homeless	Not less than 5 percent	Not less than 10 percent
Persons with special needs	Not more than 10 percent	Not less than 10 percent
Elder persons	Not less than 10 percent	Not less than 10 percent
Families	Not less than 10 percent	Not less than 10 percent

### State Housing Initiatives Partnership (SHIP) Program

#### *Rent Subsidies*

The bill broadens the definition of “rent subsidy” under the SHIP program to include initial assistance to tenants, such as grants or loans for security and utility deposits, which had been previously disallowed. Additionally, the bill clarifies the instances in which local governments participating in the SHIP program may provide ongoing rental assistance; they may only expend local housing distribution to provide ongoing rent subsidies for:

- Security and utility deposit assistance;
- Eviction prevention not to exceed 6 months’ rent; or
- A rent subsidy program for very-low-income families with at least one person with special needs or one individual experiencing homelessness, for a period not exceed 12 months.

Solely for Fiscal Year 2015-2016, pursuant to the legislation implementing the 2015-2016 General Appropriations Act, local governments participating in the SHIP program could use up to 25 percent of their funds to provide rent subsidies.<sup>67</sup> HB 1235 broadens the authority for local governments participating in the SHIP program to provide eviction prevention (which was previously limited to a one-time payment) and creates a new category of individuals to whom assistance may be provided for up to 12 months.

#### *Reporting*

The bill specifies that the annual reports submitted by local governments participating in the SHIP program must also include a description of the local governments’ efforts to reduce homelessness.

<sup>67</sup> S. 420.9072(10) expires on July 1, 2016. S. 67, ch. 2015-222, added subsection (10) “[i]n order to implement Specific Appropriation 2241 of the 2015-2016 General Appropriations Act.”

## *Local Housing Assistance Plan*

The bill adds lead agencies of local homeless assistance continuums of care and managing entities to the list of entities with which local governments are encouraged to partner when developing local housing assistance plans under the SHIP program. The bill encourages local governments to develop a strategy within their local housing assistance plans that provides program funds for reducing homelessness.

The bill permits up to 25 percent of SHIP funds from the local housing distribution to be reserved for rental housing for eligible persons or for the purposes of:

- Security and utility deposit assistance;
- Eviction prevention not to exceed 6 months' rent; or
- A rent subsidy program for very-low-income families with at least one person with special needs or one individual experiencing homelessness, for a period not exceed 12 months.

### Public Housing Authorities

The bill prohibits a housing authority from applying to the federal government to seize a project, unit, or voucher of another established housing authority, regardless of each housing authority's areas of operation.

The bill provides that housing authorities are exempt from the provisions of s. 215.425, F.S., which addresses extra compensation, bonuses, and severance pay. It also exempts housing authorities from reporting requirements of s. 218.32, F.S.; however, it requires them to submit a full financial accounting and audit in accordance with federal audit standards to the federal government biennially. This removes duplicative reporting requirements currently placed on public housing authorities.

### National Housing Trust Fund

The bill creates s. 420.9089, F.S., relating to the NHTF. It provides a Legislative finding that more funding for housing to assist individuals and families who are experiencing homelessness is needed and encourages the state entity designated to administer funds made available to the state from the NHTF to propose an allocation plan that includes strategies to reduce homelessness in this state.

The FHFC is the state entity designated by the Legislature to administer funds made available to the state from the NHTF.<sup>68</sup> HUD will officially release the grant amount from the NHTF for each state in April 2016.<sup>69</sup> Each state must adopt an Allocation Plan that has been developed through a public process involving citizen participation, and may include strategies to address homelessness.<sup>70</sup> The funding must be used primarily to assist households with specified incomes and 90 percent of the funds must be used to produce rental housing.<sup>71</sup>

## B. SECTION DIRECTORY:

**Section 1:** Amends s. 420.5087, F.S., relating to State Apartment Incentive Loan Program.

**Section 2:** Amends s. 420.622, F.S., relating to State Office on Homelessness; Council on Homelessness.

**Section 3:** Amends s. 420.623, F.S., relating to local coalitions for the homeless.

**Section 4:** Amends s. 420.624, F.S., relating to local homeless assistance continuum of care.

**Section 5:** Creates s. 420.6265, F.S., relating to Rapid Re-Housing.

**Section 6:** Amends s. 420.9071, F.S., relating to definitions.

**Section 7:** Amends s. 420.9072, F.S., relating to State Housing Initiatives Partnership Program.

<sup>68</sup> Email from Jacqueline Peters, Legislative Director, Florida Housing Finance Corporation, RE: HB 1235 (Jan. 19, 2015) (on file with Children, Families, and Seniors Subcommittee staff).

<sup>69</sup> Id.

<sup>70</sup> Id.

<sup>71</sup> See 24 C.F.R. § 93, for the interim rule guiding the implementation of the National Housing Trust Fund.

**Section 8:** Amends s. 420.9075, F.S., relating to local housing assistance plans; partnerships.

**Section 9:** Creates s. 420.9089, F.S., relating to National Housing Trust Fund.

**Section 10:** Amends s. 421.04, F.S., relating to creation of housing authorities.

**Section 11:** Amends s. 421.05, F.S., relating to appointment, qualifications, and tenure of commissioners; hiring of employees.

**Section 12:** Amends s. 421.091, F.S., relating to financial accounting and investments; fiscal year.

**Section 13:** Provides an effective date of July 1, 2016.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None.

#### 2. Expenditures:

While the bill does not provide an appropriation it does modify the SAIL program to decrease the unit reservation requirements for commercial fishing workers and farmworkers from a minimum of ten percent to a minimum of five percent, and increase the unit reservation requirement for persons who are homeless from five percent to ten percent. To the extent the legislature appropriates future funds for the SAIL program, these modifications will not impact the development of affordable housing, only the number of required affordable housing units that must be set aside for a specific population to utilize.

In addition, the bill removes the SAIL program cap on spending for persons with special needs and the elderly, and replaces it with a SAIL funding floor of not less than ten percent for each. To the extent the legislature appropriates future funds for the SAIL program, any increase in affordable housing funding provided for these two populations above ten percent would see a corresponding decrease in funding provided for the other populations.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

See Fiscal Comments.

#### 2. Expenditures:

While the bill does not contain an appropriation, it alters the criteria by which programs addressing affordable housing and homelessness are funded and how those programs may spend grants and other state funds. For example, the bill adds rapid re-housing as a component for local homeless assistance continuum of care plans to provide assistance for as short a time as possible so that an individual or family receiving assistance does not develop a dependency on the assistance. To the extent a local government provides funding for rapid re-housing programs other program areas may see a corresponding decrease in funding.

The bill broadens the definition of “rent subsidy” under the SHIP program to include initial assistance to tenants, such as grants or loans for security and utility deposits, which had been previously disallowed. Additionally, the bill clarifies the instances in which local governments participating in the SHIP program may provide ongoing rental assistance; they may only expend local housing distribution to provide ongoing rent subsidies for security and utility deposit assistance; eviction prevention not to exceed 6 months of rent; or a rent subsidy program for very-low-income families with at least one person with special needs or one individual experiencing homelessness, for a period not exceed 12 months. To the extent a local government increases their

funding for rent subsidy programs other program areas may see a corresponding decrease in funding.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments.

D. FISCAL COMMENTS:

While the bill does not contain an appropriation, it alters the criteria by which programs addressing homelessness are funded and how those programs may spend grants and other state funds. For example, the change in the performance measures set by SOH for lead agencies that receive grant funds could affect the funding that lead agencies receive depending on the lead agency's performance and whether or not it achieve specified objectives.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 26, 2016, the Children, Families and Seniors Subcommittee adopted three amendments to involve the managing entities in plans and programs to address homelessness. The amendments:

- Direct SOH, subject to available funding, to provide support to the managing entities' efforts to address the needs of the homeless populations within their geographic service areas.
- Add managing entities as one of the organizations that should be given the opportunity to participate in local homeless coalitions that are established by SOH.
- Encourage local SHIP programs to involve the managing entities in their partnership process for local housing assistance plans.

On February 16, 2016, the Appropriations Committee adopted one amendment to provide for the abolishment of the task force upon reporting its findings, which must occur no later than December 31, 2016.

The bill was reported favorably as a committee substitute. The analysis is drafted to the committee substitute.