



**COMMUNITY SERVICES POLICY COMMITTEE**  
**Friday, March 17, 2023**  
**10:00 a.m.- 2:00 p.m.**

**Register for this meeting:**

<https://us06web.zoom.us/meeting/register/tZctf-ipqD0iHdxHaxkWUwjEqUWhDq81SnKm>

Immediately after registering, you will receive a link and confirmation email to join the meeting.

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**AGENDA**

**I. Welcome and Introductions**

*Speakers: Chair, Jacque Casillas, Council Member, Corona  
Vice Chair, Holly Tillman, Council Member, Clayton  
Cal Cities President, Ali Sajjad Taj, Council Member, Artesia  
Cal Cities Executive Director and CEO Carolyn Coleman*

**II. Public Comment**

**III. General Briefing**

**IV. Update on Universal TK and State Preschool Funding** *Informational*

*Speaker: Sara Cortez, Senior Fiscal & Policy Analyst, Legislative Analyst's Office (LAO)*

- [2023-24 Budget: Transitional Kindergarten and State Preschool Proposals](#)

**V. Universal Prekindergarten Initiative Update** *Informational*

*Speaker: Stephen Propheter, Department of Education, Early Education Division Director*

**VI. Legislative Agenda (Attachment A)** *Action*

1. [AB 963 \(Schiavo\)](#) The End of the Foster Care-to-Homelessness Pipeline Act.
2. [AB 1321 \(Bonta\)](#) California Coordinated Neighborhood and Community Services Grant Program.

**VII. Homelessness Accountability Discussion (Attachment B)** *Informational*

The committee will discuss the Legislature's and Governor's Office's increased attention on homelessness accountability.

**VIII. Legislative Update** *Informational*

*Speaker: Caroline Cirrincione, League of California Cities*

A list of Cal Cities CS interest bills can be found [here](#), and a complete list of all tracked Cal Cities CS bills can be found [here](#).

**IX. Adjourn**

**Next Meeting:** Friday, June 23, 10:00 a.m. – 2:00 p.m., Pomona

*Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:*

*1) Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (Note: If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote); or*

*2) A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.*

*A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at League meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.*

**Community Services Policy Committee  
Legislative Agenda  
March 2023**

**Staff:** Caroline Cirrincione, Legislative Representative, Community Services

**1. [AB 963 \(Schiavo\) The End of the Foster Care-to-Homelessness Pipeline Act.](#)**

**Overview:**

This measure would establish an unfunded loan guarantee program to provide security to qualified lenders financing the development and acquisition of housing for current and former foster youth ages 18 to 25.

**Bill Description:**

Specifically, this measure would:

- Require the California Infrastructure and Economic Development Bank (IBank) to establish one or more programs to guarantee qualified loans for the construction of housing for current or former foster youth.
- Require Ibank, in determining whether to guarantee a qualified loan, to give preference to municipalities with high housing inelasticity and high rates of foster youth.
- In the event of default, require the bank to reimburse up to 100 percent of the guaranteed portion of principal and interest that result from a qualified loan, not to exceed \$250 million, and would require the California State Controller to transfer money from the State General Fund to the IBank Fund for that purpose.
- Allow IBank to adopt regulations to administer the programs.

Qualified projects would include the construction, acquisition, and renovation of housing for current or former foster youth who are 18 to 25 years of age and qualify for one of the following programs:

- Independent Living Program (ILP)
- Transitional Housing Placement Program for Non-Minor Dependent (THPP NMD)
- Transitional Housing Program-Plus (THP-Plus)
- Family Unification Program, Youth Aging Out of Foster Care (FUP-Youth)
- Federal Foster Youth to Independence Initiative (FYI)

According to the author's office, this measure aims to draw commercial debt and equity investments from private and philanthropic sectors to develop and acquire affordable housing to support transition-aged foster youth.

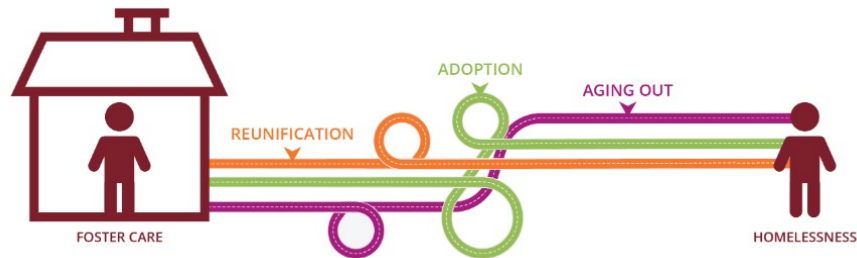
**Background:**

*Foster Care to Homelessness Pipeline:*

According to [a study](#) by the University of Chicago, between one-quarter and one-third of youth and young adults experiencing homelessness have had a history of foster care. In addition, the study reveals that young people's entry into foster care was often part of a larger pattern of family instability and was perceived by some young people as the

beginning of their experience with homelessness.

Several factors have been found to influence the risk of homelessness among foster youth. Some risk factors pertain to placement history, such as removal from the biological home, placement instability, and residing in a group care setting. While some young people become homeless after aging out of foster care, youth who have been reunified with their families or adopted also experience homelessness at high rates.



In California, roughly 60,000 children are in the foster care system and an alarming proportion of foster youth experience homelessness during their transition to adulthood. Specifically, in [California](#), nearly 31 percent of transition-age foster youth experience homelessness, and young men in foster care are 82 percent more likely to become homeless than women.

More broadly, [171,521](#) people experience homelessness in California on any given night. Of that population, California reported the [highest number](#) of unaccompanied youth in the nation under the age of 25 (9,590 people), accounting for more than a third of all unaccompanied youth nationally (32 percent).

#### California Infrastructure and Economic Development Bank (IBank):

IBank was created in 1994 to finance public infrastructure and private development to promote a healthy climate for jobs, contribute to a strong economy, and improve the quality of life in California communities. IBank is located within the Governor's Office of Business and Economic Development (Go-Biz), and has broad authority to issue tax-exempt and taxable revenue bonds, provide financing to public agencies, provide credit enhancements, acquire or lease facilities, and leverage State and Federal funds. IBank is a self-supporting governmental entity that pays for its operations from service fees and interest earnings on loans and investments.

IBank's current programs include the Infrastructure State Revolving Fund (ISRF) Loan Program, California Lending for Energy and Environmental Needs (CLEEN) Center, the Climate Catalyst Revolving Loan fund, Small Business Finance Center, and the Bond Financing Program.

IBank's corporate power is exercised by a five-member Board of Directors and an Executive Director who runs the day-to-day operations. The Board consists of the Director of the Governor's Office of Business and Economic Development, the State Treasurer, the

Director of the Department of Finance, the Secretary of the California State Transportation Agency, and a Governor's appointee. IBank does not currently oversee any housing or homelessness-related loan programs.

This program will be modeled after IBank's Small Business Loan Guarantee Program. In fiscal year 2020-21, the Small Business Finance Center guaranteed 1,978 loans resulting in more than \$184.7 million in loan guarantees that supported more than \$241 million in small business loans. Small business owners reported more than 18,000 jobs were created or retained because of these loan guarantees.

**Fiscal Impact:**

While there would be state operations costs for Go-Biz in establishing and administering this program, it is unclear what the fiscal impact would be for cities. There could be unknown savings to local governments if this measure prevents transition-aged foster youth from becoming homeless.

**Existing Cal Cities Policy:**

Cal Cities 2023 Advocacy Priorities:

Protect and expand investments to prevent and reduce homelessness. Secure sustainable state funding that bolsters cities' efforts to support individuals experiencing, or at risk of, homelessness. While protecting existing resources, strengthen state and local partnerships to connect individuals with the care they need through coordinated care systems that provide access to wraparound services, including mental health and substance use treatment.

Housing for Homelessness:

Housing and programs for homeless and other extremely low-income populations are necessary to ensure the quality of life and economic viability for all Californians. Homelessness is a statewide problem that disproportionately impacts specific communities. The state should make funding and other resources, including enriched services and outreach and case managers, available to help assure that local governments have the capacity to address the needs of the homeless in their communities, including resources for regional collaborations.

Children:

Cal Cities believes that the children of California must be recognized as our state's most valuable resource. Their development, education, and well-being are key to our state's future. Further, it is essential that each child have the support needed to become a productive citizen in the world of the 21st century. This involves supporting diverse before- and after-school programs and creating stronger linkages between municipal services and school-based job training programs in order to produce more job placement opportunities.

**Support:**

Children Now (co-sponsor)

The Rightway Foundation (co-sponsor)

**Opposition:**

None received as of March 10.

**Staff Recommendation:**

Staff recommends the committee discuss and make a recommendation to the Board of Directors.

**Committee Recommendation:****Board Action:****2. [AB 1321 \(Bonta\) California Coordinated Neighborhood and Community Services Grant Program.](#)****Overview:**

This measure would create a competitive grant program to implement a comprehensive, integrated continuum of cradle-to-career solutions at the neighborhood level.

**Bill Description:**

Specifically, this measure would:

- Establish the California Coordinated Neighborhood and Community Services Grant Program to be administered by the State Department of Social Services or another department within the California Health and Human Services Agency.
- Require the department to grant awards over three fiscal years on a competitive basis to eligible entities that are Promise Neighborhoods, community-based networks, or multi-neighborhood regional cradle-to-career networks to implement an integrated continuum of cradle-to-career solutions at the neighborhood level.
- Define "cradle-to-career" to mean a system of integrated services that begins before birth and leads to appropriate postsecondary success, including academic, occupational, and independent living.
- Require the State Department of Social Services, in consultation with the State Department of Education, to develop an application process and establish performance standards to measure progress on indicators and results to evaluate the grant program.
- Require grant recipients to contribute matching funds and prepare and submit an annual report.

**Background:****Promise Neighborhoods:**

The Obama Administration first established the "Promise Neighborhood Initiative" to improve the educational and developmental outcomes for youth in poverty. The United States Department of Education (USDOE), in 2010, awarded one-year planning grants to implement a Promise Neighborhood in 21 communities across the country. At the conclusion of the grant period, grantees were expected to produce a feasible plan to

implement a continuum of solutions to support children in their communities and improve achievement results.

Program grantees utilized a variety of metrics to track outcomes, including kindergarten readiness, proficiency in core K-12 subjects, family economic resiliency and support towards a child, and the student's access to healthy living. In California at Hayward High School, data showed that graduation rates significantly improved, rising from 76 percent in 2011 to 89 percent in 2016 due to the services provided by the Hayward Promise Neighborhood. Since the initial development of the grant program, the Promise Neighborhood initiative has expanded to at least 20 states across the country.

*Cradle to Career networks:*

Cradle to Career approaches have been applied by local governments and community-based organizations using various interventions throughout a child's development to help address achievement gaps. These networks embrace an "it takes a village" philosophy—engaging and coordinating all parties and entities that impact a child's life: schools, families, nonprofits, businesses, government agencies, health clinics, and more.

California has recognized the success of these approaches and developed a data infrastructure to assist with the efforts' coordination. The California Cradle to Career Data System Act ([SB 75, 2019](#)) set out requirements for developing infrastructure to ensure that educational, workforce, financial aid, and social service information is fully leveraged to address disparities in opportunities and improve outcomes for all students from "cradle" to "career." The system serves students' families by identifying and tracking predictive indicators to enable parents, teachers, health and human services providers, and policymakers to provide appropriate interventions and supports to address disparities in opportunities and improve outcomes for all students.

In 2017, California established the "Lifting Children and Families Out of Poverty Task Force" ([AB 1520, 2017](#)) to develop strategies to reduce child poverty. At the time, it was reported by the [U.S. Census' Supplemental Poverty Measure](#) that our state had the highest percentage of children living in poverty across the nation. The Task Force provided [a report to the Legislature](#) with policy recommendations on reducing overall child poverty while also supporting the other children and families in a neighborhood, regardless of poverty status. Within the report was a specific suggestion to create an additional 20 new Promise Neighborhood programs focusing on children and families in deep poverty.

*Child Poverty in California:*

Despite strong economic growth, California continues to struggle with high rates of child poverty. [In California](#), 16.2 percent of children between the ages of 0 -17 are living at, or below, the federal poverty threshold.

### Children in Poverty by Age, California, 2021



*Image source: [California children in poverty dashboard](#)*

#### Budget:

The 2022 Budget Act included a \$12 million one-time General Fund appropriation available over three years to support Promise Neighborhoods in Chula Vista, Corning, Hayward, and Mission. Additionally, in January, USDOE announced new awards totaling more than \$23 million for the Promise Neighborhoods, focusing on the implementation of services in neighborhoods that have never received support through the program.

#### Previous Legislation:

AB 1321 is a re-introduction of [AB 2517 \(Bonta, 2022\)](#), which Assembly Member Bonta sponsored last year. Despite overwhelming support for AB 2517 through the legislative process, it was ultimately vetoed due to concerns about the measure's significant ongoing fiscal impact in the face of economic uncertainty.

#### **Fiscal Impact:**

This bill would result in ongoing state General Fund obligations in the tens of millions of dollars, including state operations to administer the program and local assistance funding in the form of grants. Any fiscal impact to local government grantees outside of the grant award is unknown, but likely minimal.

#### **Existing Cal Cities Policy:**

##### Children:

Cal Cities believes that the children of California must be recognized as our state's most valuable resource. Their development, education, and well-being are key to our state's future. Further, it is essential that each child have the support needed to become a productive citizen in the world of the 21st century. This involves supporting diverse before- and after-school programs and creating stronger linkages between municipal services and school-based job training programs in order to produce more job placement opportunities.

##### Economic Development:

Cal Cities supports legislation that will provide tangible and productive tools and incentives to support job creation and retention in housing-rich, jobs-poor communities, such as the awarding of direct grants to fund the development of infrastructure that results in the creation and retention of jobs.

**Support:**

There is no recorded support for AB 1321 as of March 10, 2023. However, GRACE (Gather, Respect, Advocate, Change, Engage), End Child Poverty California, and the Cradle to Career Coalition sponsored AB 2517 in 2022 and are likely to support the reintroduction of this program in AB 1321.

**Opposition:**

None as of March 10.

**Staff Recommendation:**

Staff recommends the committee discuss and make a recommendation to the Board of Directors.

**Committee Recommendation:**

**Board Action:**



## Homelessness Accountability Discussion

### Overview:

California has experienced an alarming spike in homelessness over the past decade, with a significant increase in the number of unsheltered individuals in cities. The most recent [federal count](#) shows that California is home to half of all unsheltered people in the country, far surpassing any other state in the nation.

Cities are at the forefront of responding to this crisis, providing temporary and emergency housing and partnering with counties to help connect individuals with behavioral health services. Real solutions require collaborative partnerships between all levels of government, as well as a state investment that matches the scale of this crisis.

### Legislative Outlook:

Last year, the Legislature and the Governor's Office were hyper-focused on modernizing California's behavioral health system to increase access to care, specifically among unhoused individuals. This included passing historic legislation such as the Community Assistance, Recovery, and Empowerment (CARE Court) program. While behavioral health-related legislation will continue to be a priority this year, the Legislature and the Governor' have shifted their focus to increasing local "accountability" for state homelessness funding.

Specifically, there is the perception from the Administration that major state investments in homelessness in recent years have not created meaningful reductions in the number of unhoused individuals statewide. This is because, despite more than \$15 billion in state spending on homelessness over the past two years, the number of unsheltered people has continued to rise. While the state's limited-term funding across a variety of programs achieved some effect, it did not stem the tide of individuals entering homelessness, which outpaced efforts to transition individuals experiencing homelessness into housing.

This shift in focus has been abundantly clear through several legislative hearings, the Governor's proposed state budget for the 2023-24 fiscal year, and several bills that have been introduced focused explicitly on accountability. Notably, these measures include:

### **AB 550 (Schiavo) Homelessness: Public Hearings.**

This measure would:

- Require cities and counties to conduct a point-in-time count of homeless persons before January 1, 2025, and annually thereafter.
- Require cities and counties to hold a public hearing to present the data gathered and discuss plans to solve issues related to homelessness in that jurisdiction prior to January 1, 2026, and annually thereafter.
- Require cities and counties, 30 days before the public hearing, to publish the results of the data gathered during the point-in-time count on its website.
- Require cities and counties six months after the public hearing to develop a plan to reduce homelessness within that jurisdiction.

### **AB 799 (Rivas) Homeless Housing, Assistance, and Prevention program: Homelessness Accountability Act.**

One key state program for local governments is the Homeless Housing, Assistance, and Prevention (HHAP) program, which provides direct funding to California's 13 largest cities, every county, and Continuums of Care (CoC) to support a variety of homeless interventions. Smaller jurisdictions can apply to be a sub-recipient of HHAP funding through their county or CoC but do not receive direct funding from the state through this program.

The state has provided \$3.95 billion across five fiscal years for flexible emergency aid to address homelessness through the HHAP program. The program has been funded on a limited-term basis beginning in the 2019 Budget Act and is not an ongoing appropriation.

This measure creates new accountability requirements for local governments that receive state funding through HHAP. Specifically, this measure would:

- Establish a fifth round of funding for the HHAP program and call for ongoing funding.
- Establish new application and reporting requirements for recipients to increase transparency for how the funds will be used and measure outcomes.
- Require the state, in collaboration with eligible applicants, to establish statewide goals.
- Failure to meet these goals could result in funding being reallocated to an alternative recipient to provide services in that jurisdiction.
- Require the recipient to create at least three permanent housing interventions for each one interim housing intervention.
- Change the funding formula for funding allocation for over \$1 billion to increase the percentage of funding for counties and CoCs.

### **State Budget:**

The Governor's proposed state budget for the 2023-24 fiscal year detailed new accountability measures for local governments for homelessness funding. Specifically, the budget outlined plans to condition eligibility for future homeless-related grants and competitive programs on compliance with state housing law. A recently introduced [trailer bill](#) seeks to condition cities' eligibility for future state homelessness funding on submitting a compliant housing element. The Budget also proposes [statutory changes to the HHAP program](#) to prioritize spending on activities such as encampment resolution, Homekey operating sustainability, and CARE Act housing supports.

Cal Cities is calling for a \$3 billion annual appropriation beginning in 2023-24 to support cities' efforts to reduce homelessness and increase housing. This sustainable investment from the state would spur much-needed housing construction, ensure that Californians experiencing homelessness get the support they need, and prevent thousands more from losing their homes. Although the state has made significant investments to solve these crises, these limited, one-time funding pots prevent long-term planning efforts and stifle more ambitious goals.

**CSAC Homeless plan:**

The California State Association of Counties (CSAC) recently released a plan to address homelessness. The 'At Home' plan focuses on six pillars: accountability, transparency, housing, outreach, mitigation, and economic opportunity. With regard to accountability, CSAC proposes the following:

- Consolidate HHAP grants and reporting countywide or within a multi-county region to support a countywide or regional plan with one fiscal agent.
- As a condition of receiving HHAP funding, counties and cities must agree to a defined set of roles and responsibilities related to homelessness that shall, at minimum, include the following:
  - Cities shall be responsible for siting, funding, and supporting shelters for the unsheltered population within their jurisdiction. Counties shall be responsible for siting, funding, and supporting shelters for the unsheltered population within the county's unincorporated areas.
  - Cities shall be responsible for siting permanent supportive housing within their jurisdiction. Counties shall be responsible for siting permanent supportive housing within the unincorporated areas of the county.
  - Cities shall be responsible for the clean-up and sanitation of encampments within their jurisdiction. Counties shall be responsible for the clean-up and sanitation of encampments in unincorporated areas of the county. These responsibilities are done with an understanding of state and federal responsibility for clean-up and sanitation of encampments on state-owned properties and federal lands, respectively.
- Funded entities must submit local homelessness action plans that include clear outcome goals and can be held accountable for these goals only to the extent that the state provides sufficient funding for the reasonable costs of the interventions identified to achieve those goals.