

AMENDED IN ASSEMBLY APRIL 25, 2024

AMENDED IN ASSEMBLY APRIL 16, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 2498

**Introduced by Assembly Members Zbur and Quirk-Silva
(Coauthor: Assembly Member Alanis)**

February 13, 2024

An act to amend Section 50408 of, and to add Chapter 2.7 (commencing with Section 50489) to Part 2 of Division 31 of, the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2498, as amended, Zbur. Housing: the California Housing Security Act.

(1) Existing law establishes various programs, including, among others, the Emergency Housing and Assistance Program and the homeless youth emergency service pilot projects to provide assistance to homeless persons.

This bill would, upon appropriation of the Legislature, establish the California Housing Security Program to provide counties with funding to administer a housing subsidy to eligible persons, as specified, to reduce housing insecurity and help Californians meet their basic housing needs. To create the program, the bill would require the Department of Housing and Community Development, by January 1, 2026, to establish a 2-year pilot program in 6–8 counties, as specified, and to issue suggested guidelines to establish the program that include, among other things, criteria for program eligibility. The bill would specify that the subsidy would not be considered income for purposes of determining

eligibility or benefits for any other public assistance program, nor would participation in other benefits exclude a person from eligibility for the subsidy. Under the bill, an undocumented person, as specified, who otherwise qualifies for the subsidy would be eligible for the subsidy. The bill would require the department, by January 1, 2026, to also provide each county selected to participate in the pilot program with a specified amount of funding for purposes of administering the housing subsidies.

The bill would require, by July 1, 2026, a county participating in the pilot program, in consultation with specified entities, to perform prescribed duties, including reviewing the department's suggested guidelines and developing final guidelines to administer the housing subsidies based on the needs of the county. The bill would require participating counties, ~~beginning~~ by January 1, 2027, to administer housing subsidies to eligible persons, and would authorize the counties to administer housing subsidies through grantees, as specified. Among other things, the bill would require a county to enter into a written agreement with the department to use program funds in a manner consistent with the bill's provisions, as specified, and would prohibit the department from providing program funds to a county that refuses or otherwise does not agree to use the funds in that manner.

The bill would specify that a county is solely responsible for complying with the bill's provisions. The bill would define various terms for these purposes.

By imposing additional duties on counties selected to participate in the pilot program, this bill would impose a state-mandated local program.

(2) Existing law requires the department, on or before December 31 of each year, to submit an annual report to the Governor and both houses of the Legislature on the operations and accomplishments during the previous fiscal year of the housing programs administered by the department, as described, that includes specified information, including the number of individuals and households served and their income levels.

The bill would additionally require the department, beginning January 1, 2028, and for the duration of the California Housing Security Program, to include specified programmatic performance metrics within that annual report.

(3) This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of *Los Angeles*, San Diego, ~~Imperial~~, and Orange.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2.7 (commencing with Section 50489)
2 is added to Part 2 of Division 31 of the Health and Safety Code,
3 to read:

4

5 CHAPTER 2.7. CALIFORNIA HOUSING SECURITY ACT

6

7 50489. This chapter shall be known, and may be cited, as the
8 California Housing Security Act.

9 50489.1. For purposes of this chapter, the following terms have
10 the following meanings:

11 (a) "Adult with a disability" means an individual or head of
12 household who is 18 years of age or older and is experiencing a
13 condition that limits a major life activity, including, but not limited
14 to, one of the following:

15 (1) A "developmental disability," as defined in subdivision (a)
16 of Section 4512 of the Welfare and Institutions Code.

17 (2) A "medical condition," as defined in subdivision (i) of
18 Section 12926 of the Government Code.

19 (3) A "mental disability," as defined in subdivision (j) of Section
20 12926 of the Government Code, except it shall also include a
21 substance use condition.

22 (4) A "physical disability," as defined in subdivision (m) of
23 Section 12926 of the Government Code.

24 (5) A chronic illness, including, but not limited to, HIV.

25 (6) A traumatic brain injury.

- 1 (b) “Department” means the Department of Housing and
2 Community Development.
- 3 (c) “Eligible population” means a low-income person that meets
4 at least one of the following criteria:
- 5 (1) A former foster youth who qualifies for the Independent
6 Living Program, established pursuant to the federal Consolidated
7 Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272).
- 8 (2) *A former foster youth, who is 18 to 24 years of age, inclusive,*
9 *as defined in Section 50807.*
- 10 ~~(2)~~
- 11 (3) An older adult.
- 12 ~~(3)~~
- 13 (4) An adult with disabilities.
- 14 ~~(4)~~
- 15 (5) A person experiencing unemployment.
- 16 ~~(5)~~
- 17 (6) An incarcerated person with a scheduled release date within
18 60 to 180 days and who is likely to experience homelessness upon
19 release.
- 20 ~~(6)~~
- 21 (7) A person experiencing ~~homelessness.~~ *homelessness,*
22 *including a homeless youth as defined in Section 8260 of the*
23 *Welfare and Institutions Code.*
- 24 ~~(7)~~
- 25 (8) A “veteran,” as defined in Section 980 of the Military and
26 Veterans Code.
- 27 (d) “Grantee” means any of the following entities that administer
28 housing subsidies pursuant to this chapter:
- 29 (1) A city, including a charter city.
30 (2) A city, including a charter city, and a county.
31 (3) A housing authority.
32 (4) A nonprofit corporation.
- 33 (e) “Housing authority” means a housing authority created
34 pursuant to the Housing Authorities Law (Chapter 1 (commencing
35 with Section 34200) of Part 2 of Division 24).
- 36 (f) “Low-income person” has the same meaning as “lower
37 income households” as defined in Section 50079.5.
- 38 (g) “Nonprofit corporation” means a corporation organized
39 under the Nonprofit Corporation Law (Division 2 (commencing

1 with Section 5000) of Division 2 of Title 1 of the Corporations
2 Code).

3 (h) “Older adult” means a person 55 years of age or older.

4 (i) “Program” means the California Housing Security Program
5 established pursuant to this chapter.

6 50489.2. (a) Upon appropriation by the Legislature pursuant
7 to Section ~~50489.5~~, 50489.6, the department shall establish the
8 California Housing Security Program pursuant to the requirements
9 of this chapter to provide counties with funding to administer a
10 housing subsidy to persons who meet the definition of eligible
11 population to reduce housing insecurity and help Californians meet
12 their basic housing needs.

13 (b) By January 1, 2026, the department shall do the following
14 to create the program:

15 (1) (A) Establish a two-year pilot program in ~~six~~ *eight* counties.

16 (B) The department shall select ~~one county~~ *two counties* from
17 the northern, ~~three~~ *four* counties from the southern, including at
18 least the County of *Los Angeles*, San Diego, ~~Imperial~~, or Orange,
19 and two counties from the central regions of the state to participate
20 in the pilot program and shall take into account representation of
21 urban, rural, and suburban areas.

22 (2) Issue suggested guidelines establishing the program. The
23 guidelines shall include all of the following:

24 (A) Criteria for program eligibility.

25 (B) Duration of the subsidy.

26 (C) (i) Amount of the subsidy.

27 (ii) The amount of the subsidy shall be the amount necessary
28 to cover the portion of a person’s rent to prevent homelessness,
29 but the subsidy shall not exceed a total amount of two thousand
30 dollars (\$2,000) per month or as a one-time subsidy during the
31 period of the pilot program, or for two years, whichever is longer.

32 (c) By January 1, 2026, the department shall provide each county
33 selected to participate in the pilot program with funding for the
34 purposes of administering the housing subsidies in an amount equal
35 to the ratio of the total number of counties participating in the pilot
36 program compared to the total amount of funding available.

37 (d) By July 1, 2026, a county participating in the pilot program
38 shall, in consultation with the cities located in the county and any
39 nonprofit organizations or housing authorities partnering with the

1 county or those cities for purposes of administering the housing
2 subsidies, perform both of the following duties:

3 (1) Review the department’s suggested guidelines and develop
4 final guidelines for administering the housing subsidies based on
5 the needs of the county.

6 (A) The final guidelines shall address all of the information
7 described in the department’s suggested guidelines.

8 (B) The final guidelines shall be subject to the requirements
9 described in clause (ii) of subparagraph (C) of paragraph (2) of
10 subdivision (b).

11 (2) Develop program applications for persons who meet the
12 definition of eligible population to apply for a housing subsidy.

13 (e) ~~Beginning~~ By January 1, 2027, a county participating in the
14 pilot program shall administer housing subsidies to persons who
15 meet the definition of eligible population.

16 (f) A county participating in the pilot program may administer
17 housing subsidies through a grantee described in subdivision (d)
18 of Section 50489.1.

19 (1) Housing subsidies administered pursuant to this subdivision
20 may be administered through an existing housing program that is
21 operated by the county or the grantee that has the same or similar
22 purpose as the pilot program.

23 (2) Housing subsidies administered pursuant to this subdivision
24 shall be subject to the final guidelines described in paragraph (1)
25 of subdivision (d).

26 50489.3. (a) (1) To be eligible to receive program funding to
27 administer housing subsidies pursuant to this chapter, a county
28 shall enter into a written agreement with the department to use the
29 funds in a manner consistent with this chapter.

30 (2) The written agreement required by paragraph (1) shall
31 include terms and conditions consistent with the requirements set
32 forth in this chapter.

33 (b) The department shall not provide program funding to a
34 county that refuses or otherwise does not agree to administer the
35 program funds in a manner consistent with this chapter.

36 (c) (1) The department may require a county to pay back
37 program funds that are administered in a manner inconsistent with
38 this chapter.

1 (2) The department may reallocate any program funds paid back
2 pursuant to paragraph (1) for purposes of administering this
3 chapter.

4 (d) A county shall be solely responsible for compliance with
5 all applicable requirements set forth in this chapter.

6 50489.4. (a) Notwithstanding any other law, and to the extent
7 allowable under federal law, assistance, services, or supports
8 received pursuant to this chapter are not income of the participant
9 for purposes of determining eligibility for, or benefits pursuant to,
10 any public assistance program. Participation in other benefits or
11 housing or housing-based services programs shall not disqualify
12 an individual or household from being a participant for a subsidy
13 pursuant to this chapter.

14 (b) The Legislature finds and declares, within the meaning of
15 subsection (d) of Section 1621 of Title 8 of the United States Code,
16 that an undocumented person who meets the definition of eligible
17 population, as defined in subdivision (c) of Section 50489.1, shall
18 be eligible to receive a subsidy under this chapter.

19 50489.5. (a) The department shall, beginning January 1, 2028,
20 and annually thereafter for the duration of the program, include
21 programmatic performance metrics for program funds administered
22 pursuant to this chapter within the annual report required by Section
23 50408. The information shall include, at minimum, all of the
24 following information:

25 (1) The amount of program funds dispersed by any county or
26 grantee providing housing subsidies pursuant to this chapter.

27 (2) The amount of program funding used by eligible persons
28 pursuant to this chapter.

29 (3) Demographic information, including household income, of
30 eligible persons that received program funding pursuant to this
31 chapter.

32 (b) A county or grantee that administers housing subsidies
33 pursuant to this chapter shall provide information necessary for
34 the department to comply with the reporting requirement described
35 in subdivision (a).

36 50489.6. This chapter shall become operative only upon
37 appropriation by the Legislature of sufficient funds for the purposes
38 of the program.

39 SEC. 2. Section 50408 of the Health and Safety Code is
40 amended to read:

1 50408. (a) On or before December 31 of each year, the
2 department shall submit an annual report to the Governor and both
3 houses of the Legislature on the operations and accomplishments
4 during the previous fiscal year of the housing programs
5 administered by the department, including, but not limited to, the
6 Emergency Housing and Assistance Program and Community
7 Development Block Grant activity.

8 (b) The report shall include all of the following information:

9 (1) The number of units assisted by those programs.

10 (2) The number of individuals and households served and their
11 income levels.

12 (3) The distribution of units among various areas of the state.

13 (4) The amount of other public and private funds leveraged by
14 the assistance provided by those programs.

15 (5) Information detailing the assistance provided to various
16 groups of persons by programs that are targeted to assist those
17 groups.

18 (6) The information required to be reported pursuant to Section
19 17031.8.

20 (7) (A) An evaluation, in collaboration with the Department of
21 Veterans Affairs, of any program established by the department
22 pursuant to Article 3.2 (commencing with Section 987.001) of
23 Chapter 6 of Division 4 of the Military and Veterans Code,
24 including information relating to the effectiveness of assisted
25 projects in helping veterans occupying any supportive housing or
26 transitional housing development that was issued funds pursuant
27 to that article.

28 (B) The evaluation shall include, but is not limited to, the
29 following information:

30 (i) Performance outcome~~data~~ *data*, including, but not limited
31 to, housing stability, housing exit information, and tenant
32 satisfaction, which may be measured by a survey, and changes in
33 income, benefits, and education.

34 (I) For purposes of this paragraph, the term “housing stability”
35 includes, but is not limited to, how many tenants exit transitional
36 housing to permanent housing or maintain permanent housing,
37 and the length of time those tenants spent in assisted units.

38 (II) For purposes of this paragraph, the term “housing exit
39 information” includes, but is not limited to, the following:

40 (ia) How many tenants left assisted units.

- 1 (ib) The length of tenancy in assisted units.
- 2 (ic) The reason those tenants left assisted units, when that
- 3 information is readily obtainable.
- 4 (id) The housing status of a tenant exiting an assisted unit upon
- 5 exit when that information is readily available.
- 6 (ii) Client data, which may include, but is not limited to,
- 7 demographic characteristics of the veteran and their family,
- 8 educational and employment status of the veteran, and
- 9 veteran-specific information, including, but not limited to, disability
- 10 ratings, type of discharge, branch, era of service, and veterans
- 11 affairs health care eligibility.
- 12 (8) An evaluation of any program established by the department
- 13 to meet the legal requirements of the Federal Housing Trust Fund
- 14 program guidelines.
- 15 (9) (A) The information required to be reported pursuant to
- 16 Section 50489.5.
- 17 (B) Paragraph (9) shall become operative if the department
- 18 establishes the California Housing Security Program pursuant to
- 19 Chapter 2.7 (commencing with Section 50489).
- 20 SEC. 3. The Legislature finds and declares that a special statute
- 21 is necessary and that a general statute cannot be made applicable
- 22 within the meaning of Section 16 of Article IV of the California
- 23 Constitution because of the unique circumstances in the Counties
- 24 of *Los Angeles*, *San Diego*, ~~*Imperial*~~, and *Orange*, where the cost
- 25 of housing is significantly burdensome and providing housing
- 26 subsidies to eligible persons in those counties would have a great
- 27 impact on reducing housing insecurity in this state.
- 28 SEC. 4. If the Commission on State Mandates determines that
- 29 this act contains costs mandated by the state, reimbursement to
- 30 local agencies and school districts for those costs shall be made
- 31 pursuant to Part 7 (commencing with Section 17500) of Division
- 32 4 of Title 2 of the Government Code.