

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 923

Homelessness

SPONSOR(S): Reed

TIED BILLS:

IDEN./SIM. BILLS: SB 2654

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Health Care Services Policy Committee	13 Y, 0 N	Schoonover	Schoolfield
2)	Roads, Bridges & Ports Policy Committee			
3)	Health & Family Services Policy Council			
4)				
5)				

SUMMARY ANALYSIS

The bill creates and revises multiple sections of the Florida Statutes relating to homelessness. These changes include:

- Authorizing the collection of voluntary contributions in the amount of \$1 to be added to the issuance and renewal of motor vehicle registrations and drivers licenses to aid the homeless.
- Replaces the existing Emergency Financial Assistance for Housing program with a homeless prevention grant program to be administered by local homeless continuums of care to provide emergency financial assistance to families facing the loss of their current home due to financial or other crises.
- Limits the amount a lead agency may spend on administrative costs under a Challenge Grant.
- Directs funding for homeless housing assistance grants to be appropriated as a fixed capital outlay item.
- Eliminates statute enacted in 2009 relating to Housing First.

The bill is expected to result in a savings of approximately \$200,000 in administrative costs for the Office on Homelessness from the elimination of temporary staff. The bill may generate an indeterminate amount of revenue from voluntary donations for grant programs to help the homeless.

The bill is effective July 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Background**

The Council on Homelessness (council) and the State Office on Homelessness (office) were created in 2001 within the Department of Children and Family Services (DCF).<sup>1</sup> The office coordinates state agency responses to homelessness, serves as a single point of contact on homeless issues in the state, and administers state-funded grant programs that support the activities of the 27 local homeless coalitions.<sup>2</sup> The 17 members of the council represent state agencies, counties, homeless advocacy organizations, and volunteers.<sup>3</sup> The council's duties include developing policy and advising the office.<sup>4</sup>

##### *Emergency Financial Assistance Program*

DCF administers this program and provides support to families with at least one minor child that are totally without shelter or face the loss of shelter because of the following:<sup>5</sup>

- Nonpayment of rent or mortgage resulting in eviction or notice of eviction;
- Household disaster, which renders the home uninhabitable;
- Other emergency situations defined in rule.<sup>6</sup>

Families may receive up to \$400 during 1 period of 30 consecutive days in any 12 consecutive months.<sup>7</sup> DCF serves approximately 4,000 families a year under this program and utilizes seven temporary employees to assess eligibility and process payments.<sup>8</sup>

##### *Challenge Grant*

The Office on Homelessness may award grants of up to \$500,000 to lead agencies who have developed and implemented a local homeless assistance continuum of care plan for its area to provide services including outreach, emergency shelter, support services, and permanent shelter.<sup>9</sup> Current law does not limit administrative costs under this grant.

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<sup>1</sup> Chapter 2001-98, L.O.F.

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

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

<sup>4</sup> Id.

<sup>5</sup> s. 414.16(1), F.S.

<sup>6</sup> 65A-33.004, F.A.C.

<sup>7</sup> 65A-33.011, F.A.C.

<sup>8</sup> Staff Analysis (HB 923), Department of Children and Families. (On file with committee staff).

<sup>9</sup> s. 420.622(4), F.S.

## *Homeless Housing Assistance Grant*

The Office on Homelessness may administer moneys appropriated to it to provide homeless housing assistance grants up to \$750,000 annually to lead agencies to acquire, construct, or rehabilitate transitional or permanent housing units for homeless persons.<sup>10</sup> Administrative costs are capped at 5% of the funds awarded.<sup>11</sup>

## *Housing First*

Solutions to homelessness in both the public and private sectors have primarily been focused on providing individuals and families experiencing homelessness with housing.<sup>12</sup> While emergency shelter may provide access to services for individuals and families in crisis, it often fails to address long-term needs.<sup>13</sup> The approach is premised on the belief that vulnerable and at-risk individuals and families who are homeless are more responsive to interventions and social services support after they are in their own housing, rather than while living in temporary/transitional facilities or housing programs.<sup>14</sup> In 2009, the Governor signed the Housing First model into law with the intention to address the long term needs of homeless individuals and families.<sup>15</sup>

## *Voluntary Checkoffs*

Section 320.023, F.S., provides the procedures which an organization must follow prior to seeking Legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary check-off on a motor vehicle registration application.

Section 322.081, F.S., provides the procedures an organization must follow prior to seeking legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary check-off on a driver's license application.

The Department of Highway Safety and Motor Vehicles must discontinue the check-off if less than \$25,000 has been contributed by the end of the fifth year, or if less than \$25,000 is contributed during any subsequent 5-year period.<sup>16</sup>

## **Effect of Proposed Changes**

The bill authorizes the collection of voluntary contributions in the amount of \$1.00 to be added to the issuance and renewal of motor vehicle registrations or drivers licenses. Additionally, the bill does not require the voluntary contributions be subject to the checkoff procedures and limitations of s. 320.023, F.S., and s. 322.081, F.S. The funds would be placed in a grants and donations trust fund for use by the Office on Homelessness to supplement Challenge Grants and homeless housing assistance grants and to also provide information on homelessness to the public. The effect of this change could potentially raise an indeterminate amount of money.

The bill replaces the existing Emergency Financial Assistance for Housing program with a homelessness prevention grant program. The program will be administered by local homeless assistance continuums of care to provide financial assistance to families facing the loss of their current home due to financial or other crises. The grants, which would be capped at \$300,000, may be used to pay past due rent and mortgage payments, past due utility costs and bills, and case management. Program administrative costs are limited to 3% of the grant award. While the Office on Homelessness will administer the grant to the local prevention programs, tracking and reporting on progress will be the responsibility of those local programs. DCF estimates that this change in grant programs will result in a

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<sup>10</sup> s. 420.622(5), F.S.

<sup>11</sup> s. 420.622(5)(f), F.S.

<sup>12</sup> s. 420.6275(1)(b), F.S.

<sup>13</sup> Id.

<sup>14</sup> Beyond Shelter. Founded in 1988. The mission of Beyond Shelter is to develop systemic approaches to combat poverty and homelessness among families with children and enhance family economic security and well-being.

<sup>15</sup> HB 597 (2009)

<sup>16</sup> s. 320.023(4)(a), F.S.; s. 322.081(4)(a), F.S.

savings of about \$200,000 in administrative costs for the Office on Homelessness since the seven OPS employees would no longer be needed.

The bill sets a maximum of 8% a lead agency may spend of its Challenge Grant funding on administrative costs. Challenge Grants may be awarded up to \$500,000 per lead agency.<sup>17</sup> The effect of this change will permit lead agencies using Challenge Grants to spend more money on administrative costs compared to other homelessness assistance grants. In comparison, the homeless prevention grants, created by this bill, are capped at \$300,000 and limit administrative costs at 3%. The homeless housing assistance grants, which exist in current statute and are capped at \$750,000, have administrative costs limited to 5%. A question arises as to why there is a difference in administrative for the three grant programs.

The bill also directs all funding for homeless housing assistance grants to be appropriated as a fixed capital outlay item. The use of homeless housing assistance grants are limited by statute to acquire, construct, or rehabilitate transitional or permanent housing units for housing persons. Currently, funding for these grants is classified as a grant in aid under general revenue, which must be used by the end of the fiscal year. The effect of this change to fixed capital outlay will permit the use of grants for construction and housing purposes beyond the limitations of one fiscal year.

The bill also eliminates from the Housing First Methodology a provision that mandates background checks and addiction rehabilitation as a condition for an effective program. The effect of this change eliminates a statute enacted in 2009.

#### B. SECTION DIRECTORY:

Section 1. Amends s. 320.02, F.S., relating to registration required; application for registration; forms

Section 2. Amends s. 322.08, F.S., relating to application for license.

Section 3. Amends s. 322.18, F.S., relating to original applications, licenses, and renewals; expiration of licenses; delinquent licenses.

Section 4. Creates s. 414.161, F.S., relating to homelessness prevention grants.

Section 5. Amends s. 420.622, F.S., relating to State Office on Homelessness; Council on Homelessness.

Section 6. Amends s. 420.625, F.S., relating to grant-in-aid program.

Section 7. Amends s. 420.6275, F.S., relating to Housing First.

Section 8. Repeals s. 414.16, F.S., relating to emergency assistance program.

Section 9. Provides an effective date of July 1, 2010.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

DCF reported that the voluntary contributions authorized by the bill could provide new revenue for the Challenge Grants and Homeless Housing Assistance Grants. Based on other voluntary contributions on motor vehicle registrations and driver's license applications and renewals, a

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<sup>17</sup> s. 420.622(4), F.S.

conservative estimate would be a minimum of \$20,000. In fiscal year 2008-09, a total of \$1.5M was received in the voluntary contributions for the existing 24 entities in statute.<sup>18</sup>

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Consider making the administrative cost percentage caps the same for the Challenge Grant, homelessness prevention grant, and the homeless housing assistance program.

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

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<sup>18</sup> Staff Analysis, Economic Development & Community Affairs Policy Council, HB 263 (2010).