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HEALTH AND SAFETY CODE - HSC

DIVISION 31. HOUSING AND HOME FINANCE [50000 - 54913] (*Division 31 repealed and added by Stats. 1977, Ch. 610.*)

PART 14.2. Housing for a Healthy California Program [53590 - 53601] (*Part 14.2 added by Stats. 2017, Ch. 777, Sec. 2.*)

53590. For purposes of this part, all of the following definitions shall apply:

- (a) "County" means a county, city and county, or a city collaborating with a county to secure services funding.
- (b) "Department" means the Department of Housing and Community Development.
- (c) "Experiencing chronic homelessness" means a person who is chronically homeless, as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 1, 2018, except that a person who was experiencing chronic homelessness before entering an institution would continue to be defined as experiencing chronic homelessness upon discharge, regardless of length of stay.
- (d) "Experiencing homelessness" means a person experiencing homelessness, as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, as that section read on January 1, 2018.
- (e) "Fair market rent" means the rent, including the cost of utilities, as established by the United States Department of Housing and Urban Development pursuant to Parts 888 and 982 of Title 24 of the Code of Federal Regulations, as those parts read on January 1, 2018, for units by number of bedrooms, that must be paid in the market area to rent privately owned, existing, decent, safe, and sanitary rental housing of nonluxury nature with suitable amenities.
- (f) "Health Home Program" means the Health Home Program established pursuant to Article 3.9 (commencing with Section 14127) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code.
- (g) "Long-term rental assistance" means a rental subsidy provided to a housing provider, including a developer leasing affordable or supportive housing, private-market landlord, or sponsor master leasing private-market apartments, to assist a tenant to pay the difference between 30 percent of the tenant's income and fair market rent or reasonable market rent as determined by the grant recipient and approved by the department.
- (h) "Federal Housing Trust Fund" has the same meaning as the national Housing Trust Fund established pursuant to the Housing and Economic Recovery Act of 2008 (Public Law 110-289), and implementing federal regulations.
- (i) "Permanent housing" means a housing unit where the landlord does not limit length of stay in the housing unit, the landlord does not restrict the movements of the tenant, and the tenant has a lease and is subject to the rights and responsibilities of tenancy, pursuant to Chapter 2 (commencing with Section 1940) of Title 5 of Part 4 of Division 3 of the Civil Code.
- (j) "Program" means the Housing for a Healthy California Program created by this part.
- (k) "Supportive housing" has the same meaning as in Section 50675.14.
- (l) "Whole Person Care pilot" has the meaning as described in the Medi-Cal 2020 Waiver Special Terms and Conditions (STCs), Sections 110-126, as approved by the federal Centers for Medicare and Medicaid Services on December 30, 2015.

(Amended by Stats. 2019, Ch. 620, Sec. 5. (AB 957) Effective October 8, 2019.)

53591. The department shall do all of the following:

- (a) On or before January 1, 2019, establish the Housing for a Healthy California Program to create supportive housing opportunities through either or both of the following:
 - (1) Grants to counties for capital, rental assistance, and operating subsidies. The department shall award grants to counties on a competitive basis pursuant to rating and ranking criteria that include, but are not limited to, points based upon all of the following:
 - (A) Need, which includes consideration of the number of individuals experiencing homelessness and the impact of housing costs in the county.

(B) Ability of the county to administer or partner to administer a program offering capital loans, rental assistance, or operating subsidies in supportive housing, based on the county's proposed use of program funds. Operating subsidies may include operating reserves.

(C) The county's documented partnerships with affordable and supportive housing providers in the county.

(D) Demonstrated commitment to address the needs of people experiencing homelessness through existing programs or programs planned to be implemented within 12 months.

(E) Preferences or set asides for housing populations established by the department pursuant to Section 53595.

(F) Coordination with all of the following:

(i) Community-based housing and homeless service providers.

(ii) Behavioral health providers.

(iii) Safety net providers, including community health centers.

(2) Operating reserve grants and capital loans to developers. The department may use existing guidelines in awarding grants and loans to developers.

(3) In administering the operating reserve grants and capital loans to developers pursuant to paragraph (2), the department shall do all of the following:

(A) Make program funds available at the same time funds, if any, are made available under the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2).

(B) Rate and rank applications in a manner consistent with the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2), except that the department may establish additional point categories for the purposes of rating and ranking applications that seek funding pursuant to this part in addition to those used in the Multifamily Housing Program.

(C) Administer funds subject to this part in a manner consistent with the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2) to the extent permitted by federal requirements.

(D) Only applications serving persons that meet all of the requirements of Section 53595 and any other threshold requirements established by the department, shall be eligible to receive funds pursuant to paragraph (2).

(b) Until August 31, 2022, if the department elects to fund operating grants and loans to developers in any year, or before August 31, submit federal Housing Trust Fund allocation plans to the Department of Housing and Urban Development that includes state objectives consistent with the goals of this part.

(c) Draft any necessary regulations, guidelines, and notices of funding availability for stakeholder comment.

(d) Midyear and annually, collect data from counties and developers awarded grant or loan funds.

(e) No later than October 1, 2020, contract with an independent evaluator to analyze data collected pursuant to Section 53593 to determine changes in health care costs and utilization associated with services and housing provided under the program. The department shall provide, on a regular basis as needed, collected data to the evaluator.

(f) (1) Report data collected in the department's annual report due in 2024, as required by Section 50408.

(2) A report to be submitted pursuant to paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(g) The department is encouraged to consult with the State Department of Health Care Services where appropriate to carry out the intent of this section.

(h) This section shall become operative on January 1, 2022.

(Amended by Stats. 2023, Ch. 770, Sec. 21. (AB 1764) Effective January 1, 2024.)

53592. A county shall be eligible for a program grant if the county meets the requirements of this section. Eligibility does not create an entitlement to grant funds and is subject to availability of funds. The county shall meet all of the following requirements:

(a) Has identified a source of funding for providing intensive services promoting housing stability. Funding for these services may include, but are not limited to, one or more of the following:

(1) County general funds.

(2) Whole Person Care pilot program funds, to the extent those funds are available or the Whole Person Care program has been renewed.

(3) The Health Home Program.

(4) Other county-controlled funding to provide these services to eligible participants.

(b) Has designated a process for administering grant funds through agencies administering housing programs.

(c) Agrees to collect and report data, as described in Section 53593, to the department.

(Amended by Stats. 2019, Ch. 620, Sec. 7. (AB 957) Effective October 8, 2019.)

53593. (a) The department shall coordinate with the State Department of Health Care Services to match program participant data, consistent with state and federal privacy law, to Medi-Cal data to identify outcomes among participants as well as changes in health care costs and utilization associated with housing and services provided under the program to the extent that information is available, up to 12 months prior to each participant's move into permanent housing, as well as changes in costs and utilization after each participant's move into permanent housing.

(b) A county or developer awarded grant or loan funds shall, at annual and midyear intervals, report all of the following data to the department:

(1) Data specified by the department necessary to measure the costs and outcomes of the program.

(2) The number of participants and the type of interventions offered through grant funds.

(3) The number of participants living in supportive housing or other permanent housing.

(4) To the extent feasible and available, data on the impact of the program on participants' use of corrections systems and law enforcement resources.

(Amended by Stats. 2019, Ch. 620, Sec. 8. (AB 957) Effective October 8, 2019.)

53594. (a) A county shall use grants awarded pursuant to this part for one or more of the following:

(1) Long-term rental assistance in an amount the county identifies, but no more than two times the fair market rent for the market area where the county is providing long-term rental assistance.

(2) Acquisition funding, new construction, gap funding, or reconstruction and rehabilitation.

(3) Project-based operating subsidies.

(4) Incentives to landlords to accept rental assistance for program participants, including security deposits and holding fees.

(5) Administrative costs, as determined by the department, of no more than 5 percent of the total grant awarded, or a higher amount upon approval by the department.

(b) Project based operating subsidies may include either or both of the following:

(1) Operating subsidies for periods of up to five years.

(2) A capitalized operating reserve for at least 15 years to pay for operating costs of an apartment or apartments receiving capital funding to provide supportive housing to people experiencing homelessness.

(Amended by Stats. 2020, Ch. 370, Sec. 208. (SB 1371) Effective January 1, 2021.)

53595. The department shall establish rating and ranking criteria to promote housing for persons who meet all of the following requirements:

(a) Is experiencing homelessness or chronic homelessness and a high-cost health user upon initial eligibility.

(b) Is a Medi-Cal beneficiary or is eligible for Medi-Cal.

(c) Is eligible to receive services under a program providing services promoting housing stability, including, but not limited to, the following:

(1) The Whole Person Care pilot program, to the extent the Whole Person Care program is available or has been renewed.

(2) The Health Home Program.

(3) A locally controlled services program funding or providing services in supportive housing.

(d) Is likely to improve their health conditions with supportive housing.

(Amended by Stats. 2019, Ch. 620, Sec. 10. (AB 957) Effective October 8, 2019.)

53596. The Legislature shall consider the impact that housing and supportive services have had in changing utilization and health care costs, as identified in the evaluation described in Section 53591, of moving eligible participants into supportive housing.

(Added by Stats. 2017, Ch. 777, Sec. 2. (AB 74) Effective January 1, 2018.)

53597. The department shall reimburse the State Department of Health Care Services for the costs of collaborating in matching and providing relevant data.

(Added by Stats. 2017, Ch. 777, Sec. 2. (AB 74) Effective January 1, 2018.)

53598. (a) For purposes of implementing this part, the department may enter into exclusive or nonexclusive contracts on a bid or negotiated basis. Contracts entered into or amended pursuant to this subdivision shall be exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, and Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code and shall be exempt from the review or approval of any division of the Department of General Services.

(b) Any regulations or guidelines that are adopted, amended, or repealed to implement this part shall not be subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(Added by Stats. 2017, Ch. 777, Sec. 2. (AB 74) Effective January 1, 2018.)

53599. The department shall carry out the purposes of this part with either or both of the following:

(a) Revenues appropriated to the department from federal Housing Trust Fund allocations for years 2018 to 2021, inclusive.

(b) Any other revenues appropriated to the department that may be allocated for purposes of the program.

(Added by Stats. 2017, Ch. 777, Sec. 2. (AB 74) Effective January 1, 2018.)

53600. (a) For loans issued directly by the department, the department may charge an ongoing monitoring fee to cover the costs of project monitoring.

(b) All moneys received by the department in repayment of loans made pursuant to this part, including interest and payments in advance in lieu of future interest, shall be deposited into the Housing Rehabilitation Loan Fund established by Section 50661, and, notwithstanding Section 13340 of the Government Code, all such moneys deposited pursuant to this part are continuously appropriated to the department for purposes of the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2).

(Added by Stats. 2018, Ch. 455, Sec. 1. (SB 877) Effective September 17, 2018.)

53601. (a) (1) In the City and County of Los Angeles, where the federal Department of Housing and Urban Development has granted an authority, as defined in Section 34203, a waiver effective August 17, 2024, to allow household income verifications to occur after a lease contract is signed for unhoused populations seeking entry into projects pursuant to or in connection with Section 5.110 of Title 24 of the Code of Federal Regulations, if an owner or a management agent leases a subsidized unit to an unhoused person and subsequently learns and verifies that the unhoused person does not meet applicable income requirements, then the department shall not take any negative actions against the owner or management agent if both of the following conditions are met:

(A) The owner or management agent has cured the noncompliance within 24 months of discovery of the violation.

(B) The local housing authority and continuum of care have developed and posted on their respective internet websites a plan describing how the local housing authority and continuum of care will coordinate with the owner or management agent to move tenants that do not meet applicable income requirements into affordable housing where the tenant is eligible for occupancy within 24 months of discovery of the violation. Income ineligible tenants shall retain their unhoused targeting eligibility.

(2) For purposes of this subdivision, "negative actions" include, but are not limited to, both of the following:

(A) Issuing negative points on a current or future application.

(B) Imposing a financial penalty.

(b) If an agreement between the owner or management agent and the authority or the department restricts a unit to a tenant earning no more than 30 percent of the area median income, the tenant shall be deemed to satisfy the income requirements of this program during the 24-month period described in paragraph (1) of subdivision (a) if all of the following conditions are met:

(1) The tenant experienced homelessness prior to moving into the unit. For purposes of this paragraph, "homelessness" has the same meaning as "homeless," as that term is defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

(2) The tenant self-certified household income at no more than 30 percent of the area median income.

(3) A third-party verification shows that the tenant has household income of no more than 50 percent of the area median income, unless the tenant is otherwise eligible pursuant to federal income eligibility requirements.

(4) The tenant's income certification is fully verified in accordance with the program rules within 90 days of the date the tenant took possession of the unit.

(5) At least 50 percent of the assisted units restricted to 30 percent area median income are occupied by verified, income-eligible households.

(6) The issuing housing authority and continuum of care, in coordination with other public agencies, coordinate with an owner or a management agent and move a tenant found to have a household income of more than 50 percent of the area median income following third-party verification described in paragraph (3) within 24 months of discovery of the violation to an affordable housing unit for which the tenant is eligible without reliance upon the same waiver described in subdivision (a). Income ineligible tenants shall retain their unhoused targeting eligibility.

(c) (1) This section does not modify any other eligibility requirements attached to assistance provided by the Department of Housing and Community Development.

(2) Tenant self-certified date of birth shall be accepted so long as the agreement between the department and the owner does not impose age-based demographic targeting requirements.

(3) If the conditions described in subdivision (b) are met, absent any rent setting methodology from subsidy programs, a tenant whose adjusted income at move-in exceeded 30 percent area median income shall have an effective rent limit for their unit be redesignated to 50 percent of area median income or, if the tenant's verified income is higher than 50 percent of area median income, an effective rent limit for their unit be redesignated to an area median income level commensurate with the income level.

(4) Owner or management agents shall discontinue use of the waiver as described in subdivision (a) in the event that more than 50 percent of the assisted units restricted to 30 percent area median income are occupied by households with adjusted incomes at move-in over 30 percent area median income.

(d) This section shall become inoperative on July 31, 2025, or the final expiration date of a waiver as described in subdivision (a), whichever is later, and, as of January 1 of the following year, is repealed.

(Added by Stats. 2024, Ch. 491, Sec. 7. (SB 1500) Effective January 1, 2025. Conditionally inoperative on or after July 31, 2025, as prescribed by its own provisions. Conditionally repealed by its own provisions.)