

Date of Hearing: May 13, 2015

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Brian Maienschein, Chair

AB 1403 (Maienschein) – As Amended April 7, 2015

SUBJECT: Housing: joint powers agreement.

SUMMARY: Allows a public agency or agencies and one or more private, nonprofits dedicated to provide services to homeless to form a joint powers agency or enter into a joint powers agreement in order to identify and provide services to the most costly, frequent users of public funded emergency services. Specifically, **this bill:**

- 1) Defines, for purposes of Housing Element Law, the following terms:
 - a) “Frequent user coordinated care housing services” to mean housing combined with other supportive services for homeless persons identified by a city or county as the most costly, frequent users of publicly funded emergency services; and,
 - b) "Supportive services” to include, but not be limited to, a combination of subsidized, permanent housing, intensive case management, medical and mental health care, substance abuse treatment, employment services, and benefits advocacy.
- 2) Provides that a housing element analysis of any special housing needs may include an analysis of the need for frequent user coordinated care housing services.
- 3) Allows one or more private, nonprofit corporations that are organized, pursuant to Section 501(c)(3) of the Internal Revenue Code, and provide services to homeless persons or for the prevention of homelessness, to form a joint powers agency (agency) or enter into a joint powers agreement (agreement) with one or more public agencies.
- 4) Provides that the agency formed, pursuant to the agreement, shall be deemed to be a public entity, except that, notwithstanding any other law, the agency shall not have the power to incur debt.
- 5) Specifies that the purpose of an agency or agreement authorized, pursuant to the bill's provisions, shall be to encourage and ease the sharing of information between public agencies and nonprofit corporations, pursuant to 1), above, necessary to identify the most costly, frequent users of publicly funded emergency services in order to provide frequent user coordinated care housing services, as defined, to homeless persons or to prevent homelessness.
- 6) Requires an agency formed, pursuant to the bill's provisions, to be governed by a board of directors, and specifies that the composition of the board shall be determined by the participating public agency or agencies.
- 7) Prohibits the representation of private nonprofit corporations on the board from exceeding 50%.

EXISTING LAW:

- 1) The Joint Exercise of Powers Act authorizes two or more public agencies by agreement to jointly exercise any power common to the contracting parties, including, but not limited to, the authority to levy a fee, assessment, or tax, even though one or more of the contracting agencies may be located outside this state.
- 2) Requires every city and county to prepare and adopt a general plan containing seven mandatory elements, including a housing element.
- 3) Requires a jurisdiction's housing element to identify and analyze existing and projected housing needs, identify adequate sites with appropriate zoning to meet the housing needs of all income segments of the community, and ensure that regulatory systems provide opportunities for, and do not unduly constrain, housing development.
- 4) Requires cities and counties located within the territory of a metropolitan planning organization (MPO) to revise their housing elements every eight years following the adoption of every other regional transportation plan. Cities and counties in rural non-MPO regions must revise their housing elements every five years.

FISCAL EFFECT: None

COMMENTS:

- 1) **Bill Summary.** This bill allows a public agency or agencies and one or more private, nonprofits dedicated to provide services to homeless to form a joint powers agency or enter into a joint powers agreement in order to identify and provide services to the most costly, frequent users of public funded emergency services. The bill also defines the terms "frequent user coordinated care housing services" and "supportive services" for purposes of Housing Element Law, and provides that a housing element analysis of any special housing needs may include an analysis of the need for frequent user coordinated care housing services.

This bill is author-sponsored.

- 2) **Joint Exercise of Powers Act.** Joint powers are exercised when the public officials of two or more agencies agree to establish a joint approach or create another legal entity to work on a common problem, fund a project, or act as a representative body for a specific activity. All manner of federal, state and local public agencies can agree to exercise joint powers. A California agency can even share joint powers with an agency in another state. The common thread is that a confederation of governments work together and share resources for mutual support or common actions. The government agencies that participate in joint powers agreements are called member agencies.

A joint powers agreement is a formal, legal agreement between two or more public agencies that share a common power and want to jointly implement programs, build facilities, or deliver services. Officials from those public agencies formally approve a written cooperative arrangement. A joint powers agency or joint powers authority is simply a new government entity created by the member agencies, but is legally independent from them. Like a joint

powers agreement in which one agency administers the terms of the agreement, a joint powers agency or authority exercises powers common to the member agencies, and those powers are outlined in the joint powers agreement. The new entity need not even call itself a JPA. JPAs are not special districts, although such agencies can enter into joint powers agreements.

Public agencies authorized to enter into joint powers agreements include "the federal government or any federal department or agency, this state, another state or any state department or agency, a county, county board of education, county superintendent of schools, city, public corporation, public district, regional transportation commission of this state or another state, a federally recognized Indian tribe, or any joint powers authority...".

Special legislation can also authorize certain nongovernmental organizations to participate in joint powers agreements, even though they are not public agencies. For instance, to help nonprofit hospitals keep pace with changes in the health care industry, the Legislature has allowed them to enter into joint powers agreements to provide health care services in Fresno, Contra Costa, Kings, Tuolumne, San Diego, and Tulare counties. Another enacted bill allowed mutual water companies to enter joint powers agreements with public water agencies.

As tools for collaboration, JPAs are used for a variety of purposes. By sharing resources and combining services, the member agencies - and their taxpayers - save time and money. There are no official categories for the types of JPAs, but their services fall into five broad groups: general public services, financial services, insurance pooling and purchasing discounts, planning services, and regulatory enforcement.

- 3) **Author's Statement.** According to the author, "Current law generally authorizes two or more public agencies to form a JPA to jointly exercise certain powers of the agencies. Allowing private, nonprofits to participate in a JPA must be legislatively authorized for specific purposes. Current law does not allow public agencies and private nonprofits to form JPAs for the purpose of providing frequent user coordinated care housing services. AB 1403 authorizes private nonprofit corporations organized pursuant to Section 501 (c)(3) of the Internal Revenue Code that provide services to homeless persons or for the prevention of homelessness to enter into a joint powers agreement with public agencies for the sole purpose of providing frequent user coordinate care housing services. This bill is needed to ease the ability of local government agencies and interested nonprofits to share information amongst each other to identify the most costly homeless individuals and more easily provide the appropriate services necessary to reduce or prevent homelessness."
- 4) **Background on Project 25 in San Diego.** Project 25, launched in January of 2011, involved the collaboration of multiple social service providers in the City of San Diego that targeted 35 or more of the chronically homeless most frequent users of emergency room visits, ambulance services, in-patient hospitalizations, mental health out-patient and inpatient services, jail and incarceration costs and detoxification services. Project 25 aimed to provide permanent housing followed closely by wraparound intensive case management. It also focused on data collection to track the differences the program was making in the participants' use of public services, and included a large number of data partners, including local hospitals, ambulance providers, county and city departments, and local shelters. One

year into the program, results from the combination of long-term housing and supportive services were dramatic: the total cost of public resources for project participants fell to \$3.4 million in 2011 from more than \$11 million in 2010, emergency room visits were down by 77%, in-patient medical stays were down 73%, and arrests were down by 69%.

One of the issues noted by public agencies and nonprofits that participated in Project 25 was that overcoming data sharing concerns was a significant challenge at the start of the program.

This bill creates another forum for interested agencies and nonprofits to come together under the common goal of providing services to the most common users of public-funded services, and provides an opportunity for interested agencies to share information in a structured, formal way.

- 5) **Arguments in Support.** Easter Seals argues that "this bill will help expedite the process of more appropriate local resource development. Targeting resources and designing targeted interventions to those with the greatest needs makes sense. The addition of this new option, and the new partnership available by extending the Joint Powers Agreements to include nonprofit agencies, will help us all better serve our local communities."
- 6) **Arguments in Opposition.** None on file.
- 7) **Double-Referral.** This bill was heard in the Housing and Community Development Committee on April 29, 2015 and passed with a 6-0 vote.

REGISTERED SUPPORT / OPPOSITION:

Support

Housing California
Easter Seals

Opposition

None on file

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