

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Trent Rhorer, Executive Director, Human Services Agency
Barbara Smith, Acting Executive Director, Housing Authority

FROM: Erica Major, Assistant Committee Clerk
Government Audit and Oversight Committee

DATE: January 6, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Farrell on December 15, 2015:

File No. 151279

Ordinance amending the Administrative Code to codify the process for imposing sanctions for non-willful failures to comply with County Adult Assistance Programs (CAAP) program requirements and establish a three-year rental assistance pilot project for CAAP participants who have been sanctioned as a result of non-willful failures to comply with program requirements.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

c: Louise Rainey, Human Services Agency
Andrea Agho, Housing Authority
Velma Navarro, Housing Authority
Dee Schexnayder, Housing Opportunity, Partnership and Engagement
Christine Keener, Housing Opportunity, Partnership and Engagement

[Administrative Code - Sanctions for Non-Willful Violations of County Adult Assistance Programs Rules, and Creating Rental Assistance Pilot Project]

Ordinance amending the Administrative Code to codify the process for imposing sanctions for non-willful failures to comply with County Adult Assistance Programs (CAAP) program requirements and establish a three-year rental assistance pilot project for CAAP participants who have been sanctioned as a result of non-willful failures to comply with program requirements.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in *strikethrough italics Times New Roman font*.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Chapter 20 of the Administrative Code is hereby amended by revising Sections 20.58.1, 20.77, 20.107, and 20.207, to read as follows:

SEC. 20.58.1. FAILURE TO SATISFY REQUIREMENTS FOR CONTINUING ELIGIBILITY.

Recipients who fail to comply with applicable provisions of this Article VII and the regulations promulgated thereunder may have their aid withheld and/or decreased and/or discontinued as set forth in California Welfare and Institutions Code Section 17001.5, or any successor statute, and Department regulations.

In the case of discontinuance of a recipient, the recipient shall be unable to reapply for a period of at least thirty days from the effective date of discontinuance, provided that the

1 Department affords the recipient all due process to which the recipient is entitled under
2 statutory and other law.

3 **SEC. 20.77. CONTINUING ELIGIBILITY.**

4 (a) Persons who meet the requirements for eligibility for PAES shall receive cash
5 stipends pursuant to this Article IX. Participants are required to comply with all applicable
6 provisions of this Article and the regulations promulgated thereunder. Participants who fail to
7 comply with applicable provisions of this Article and the regulations promulgated thereunder
8 without good cause may have their aid withheld and/or decreased and/or discontinued as set
9 forth in California Welfare and Institutions Code Section 17001.5, or any successor statute, and
10 Department regulations.

11 (b) No withholding, decrease, or discontinuance of aid shall occur unless the person
12 to be affected has been advised of the possibility of such action by means of a Notice of
13 Proposed Action and has been afforded the opportunity for a hearing to dispute the proposed
14 action.

15 **SEC. 20.107. CONTINUING ELIGIBILITY.**

16 (a) Persons who meet the requirements for eligibility for CALM shall receive cash
17 payments pursuant to this Article X. Recipients are required to comply with all applicable
18 provisions of this Article and the regulations promulgated thereunder. Recipients who fail to
19 comply with applicable provisions of this Article and the regulations promulgated thereunder
20 may have their assistance withheld and/or decreased and/or discontinued as set forth in
21 California Welfare and Institutions Code Section 17001.5, or any successor statute, and Department
22 regulations.

23 (b) No withholding, decrease, or discontinuance of assistance shall occur unless the
24 person to be affected has been advised of the possibility of such action by means of a Notice
25

1 of Proposed Action and has been afforded the opportunity for a hearing to dispute the
2 proposed action.

3 **SEC. 20.207. CONTINUING ELIGIBILITY.**

4 (a) Persons who meet the requirements for eligibility for SSIP shall receive cash
5 payments pursuant to this Article XI. Recipients are required to comply with all applicable
6 provisions of this Article and the regulations promulgated thereunder. Recipients who fail to
7 comply with applicable provisions of this Article and the regulations promulgated thereunder
8 may have their SSIP payment withheld and/or decreased and/or discontinued as set forth in
9 California Welfare and Institutions Code Section 17001.5, or any successor statute, and Department
10 regulations.

11 (b) No withholding, decrease, or discontinuance of SSIP payments shall occur unless
12 the person to be affected has been advised of the possibility of such action by means of a
13 Notice of Proposed Action and has been afforded the opportunity for a hearing to dispute the
14 proposed action.

15 (c) The Department may require applicants/recipients to attend substance abuse or
16 other medical treatment programs as part of their continuing eligibility requirements.

17
18 Section 2. Chapter 20 of the Administrative Code is hereby amended by adding new
19 Article XV, consisting of Sections 20.1500, 20.1501, 20.1502, 20.1503, and 20.1504, to read
20 as follows:

21 **ARTICLE XV: CAAP DISCONTINUANCE RENTAL ASSISTANCE PILOT PROJECT**

22 **SEC. 20.1500. FINDINGS.**

23 The San Francisco Human Services Agency ("HSA") administers the County Adult Assistance
24 Programs (CAAP) for the City and County of San Francisco ("City"), which programs provide
25 financial assistance and social services to indigent adults who have no other source of income or

1 benefits. CAAP consists of General Assistance (GA), Personal Assisted Employment Services (PAES),
2 Cash Assistance Linked to Medi-Cal (CALM), and Supplemental Security Income Pending (SSIP), as
3 those programs are set forth in Articles VII through XI of Chapter 20 of the Administrative Code.

4 California Welfare and Institutions Code Section 17001.5, governing the operation of
5 programs that provide aid and care for indigent persons, provides that a recipient's aid may be
6 discontinued, or a sanction imposed, if the recipient fails or refuses without good cause to follow
7 program requirements. Lack of good cause under State law may be demonstrated by a showing of
8 either (a) willful failure or refusal to follow program requirements or (b) not less than three separate
9 acts of negligent failure to follow program requirements.

10 For CAAP participants who are placed in supportive housing through HSA's Care Not Cash
11 program, benefits consist of placement in housing and a monthly cash grant paid directly to the
12 participant, a portion of which is required to be used to pay rent to the housing provider. HSA further
13 subsidizes the cost of housing for Care Not Cash participants through direct contracts with the housing
14 provider.

15 After the third instance in which HSA determines that a CAAP participant has engaged in a
16 negligent failure to comply with program rules, HSA notifies the participant that his or her benefits will
17 be discontinued. CAAP participants who face discontinuance of their benefits have the option to
18 request an administrative hearing to challenge the grounds for the discontinuance, which may result in
19 restoration of benefits without a break in cash aid. GA and PAES participants whose benefits are not
20 restored are sanctioned and cannot reapply to CAAP for thirty days. But sanctioned clients typically
21 have no source of income to pay rent. Therefore, CAAP discontinuances have the potential to threaten
22 the housing security of CAAP participants.

23 As of the adoption of this Article XV, HSA practice is to provide advance notice to HSA-funded
24 supportive housing providers when a CAAP participant in their building is at risk of discontinuance.
25 Housing providers are contractually obligated to follow up with the participant to attempt to prevent

1 the discontinuance of CAAP aid or to assist the participant to reinstate CAAP aid. HSA-funded
2 supportive housing providers are also authorized to forgive one month of rent debt in such situations so
3 that the client can reestablish benefits without jeopardizing their housing stability.

4 The City wishes to reduce the risk that CAAP participants who have negligently failed to comply
5 with program requirements will be evicted or otherwise become housing insecure through the
6 establishment of a pilot project. Under the CAAP Discontinuance Rental Assistance Pilot Project
7 established in this Article XV, CAAP participants who reside in HSA-funded supportive housing and
8 have engaged in three acts of negligent failure to comply with program requirements will be ineligible
9 to receive cash assistance for one month, but HSA will make a rental payment during that month on
10 their behalf directly to the housing provider if pilot criteria are met.

11 HSA will collect and analyze data concerning the number of individuals who receive rental
12 assistance under this pilot project and will submit an annual report to the Board of Supervisors
13 describing the program's effectiveness and including recommendations for improvement as
14 appropriate.

15 **SEC. 20.1501. THE CAAP DISCONTINUANCE RENTAL ASSISTANCE PILOT**
16 **PROJECT.**

17 (a) The Board of Supervisors hereby establishes the CAAP Discontinuance Rental Assistance
18 Pilot Project ("Pilot Project").

19 (b) The purpose of the Pilot Project is to preserve the housing security of individuals who
20 participate in the County Adult Assistance Programs (CAAP) and who reside in HSA-funded supportive
21 housing where such persons have engaged in three negligent acts of noncompliance with program
22 requirements.

23 (c) To be eligible for rental assistance under the Pilot Project, a person must:

24 (1) be a recipient of financial assistance through General Assistance (GA), the
25 Personal Assisted Employment Services (PAES) Program, Cash Assistance Linked to Medi-Cal

1 (CALM), or Supplemental Security Income Pending (SSIP), as those programs are set forth in Articles
2 VII through XI of Chapter 20 of the Administrative Code;

3 (2) reside in HSA-funded Single Room Occupancy (SRO) buildings; and
4 (3) be facing the discontinuance of financial assistance resulting from three acts of
5 negligent failure to comply with CAAP program requirements.

6 (d) Notwithstanding subsection (c), persons will be ineligible for rental assistance under the
7 Pilot Project if the discontinuance of their assistance is due to fraud, willful noncompliance with
8 program requirements or loss of program eligibility due to other reasons, including increased income
9 or assets or eligibility for another cash assistance program.

10 (e) Individuals who receive rental assistance under the Pilot Project shall be required to: (1)
11 reinstate to CAAP during the first month of the sanction period in order to reestablish an income
12 source that will allow the individual to resume rental payments the following month; and (2) re-
13 establish participation in a third-party rent payment service upon reinstatement to CAAP.

14 (f) The Pilot Project shall be implemented as follows:

15 (1) The Human Services Agency ("HSA") shall administer the Pilot Project.
16 (2) When a CAAP recipient satisfies the eligibility criteria set forth in Section
17 20.1501(c), HSA shall discontinue cash benefits, but shall pay the client's share of rent directly to the
18 housing provider for a period of one month following discontinuance.

19 (3) Eligible CAAP recipients may receive rental assistance benefits under the Pilot
20 Project no more than once every six months, provided, however, that an eligible CAAP recipient shall
21 not receive rental assistance benefits more than once if he or she has not complied with the program
22 requirements set forth in Section 20.1501(e).

23 **SEC. 20.1502. ANNUAL REPORT TO BOARD OF SUPERVISORS.**

24 By October 1 of each year, the Human Services Agency shall submit to the Board of Supervisors
25 a report describing the number of individuals who received benefits under the Pilot Project during the

1 prior fiscal year and estimating the effectiveness of the Pilot Project at preserving housing security,
2 and including recommendations as appropriate.

3 **SEC. 20.1503. PROMOTION OF GENERAL WELFARE.**

4 In establishing the Pilot Project, the City is assuming an undertaking only to promote the
5 general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for
6 breach of which it is liable in money damages to any person who claims that such breach proximately
7 caused injury.

8 **SEC. 20.1504. SUNSET PROVISION.**

9 This Article XV shall expire by operation of law three years after the effective date of the
10 ordinance creating the Article. Upon expiration of the Article, the City Attorney shall cause it to be
11 removed from the Health Code.

12
13 Section 3. Effective and Operative Dates. This ordinance shall become effective 30
14 days after enactment, and shall become operative 60 days after enactment. Enactment
15 occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or
16 does not sign the ordinance within ten days of receiving it, or the Board of Supervisors
17 overrides the Mayor's veto of the ordinance.

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20 APPROVED AS TO FORM:
21 DENNIS J. HERRERA, City Attorney

22 By:

23 
Anne Pearson
Deputy City Attorney

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