Date of Hearing: April 19, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS Chris Holden, Chair

AB 1215 (Wendy Carrillo) – As Amended March 30, 2023

Policy Committee: Housing and Community Development Vote: 8 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the Department of Housing and Community Development (HCD) to establish the Pets Assistance with Support (PAWS) Grant Program to award funds to qualified homeless shelters and domestic violence shelters to provide shelter, food, and basic veterinary services for pets owned by people experiencing homelessness or escaping domestic violence. The bill allows HCD to use up to 7% of appropriated funds for program administration.

FISCAL EFFECT:

1) HCD estimates one-time and ongoing General Fund (GF) costs for additional staff of \$585,000 in fiscal year (FY) 2023-24, \$772,000 in FY 2024-25, \$1.1 million in FY 2025-26, and \$560,000 in FY 2026-27, and annually thereafter, to develop, administer, and monitor the PAWS program.

HCD indicates this grant program would necessitate new staff in both its Program Design Implementation (PDI) unit and its States Grant Management (SGM). PDI staff would be needed to conduct stakeholder engagement and develop guidelines and notices of funding availability. PDI staff would also be needed for implementation, to review threshold, score applications, and create and execute standard agreements. SGM staff would be needed to provide post-contract technical assistance, disbursement of funds, compliance monitoring, and data analysis.

2) Staffing levels assume a \$10 million appropriation for each year through FY 2025-26. This bill authorizes HCD to use up to 7% of the funds appropriated to the program for its administrative purposes. This amount, \$700,000, covers the majority of the ongoing costs of the program, but falls short of the total funds HCD needs to implement the program.

COMMENTS:

1) **Purpose.** This bill codifies and expands the Pet Assistance and Support (PAS) program, thereby making the program permanent. According to the author:

On any given night in California, at least 161,000 people are without a home. Many of these individuals refuse housing and services if doing so requires them to abandon their most treasured belonging – their pet. This happens all too often as a majority of shelters, motels, and other assisted housing programs do not permit animals on their property, pushing

potential beneficiaries to live on the street. [This bill] offers a commonsense solution by making permanent the highly successful PAS Program, which awards grants to shelters serving the needs of both individuals experiencing homelessness and their animal companions.

2) **Background.** The nonprofit organization Pets of the Homeless estimates 5% to 10% of Americans experiencing homelessness have dogs or cats. However, homeless shelters often prohibit pets from being on the premises. As a result, many homeless individuals refuse housing and services if a condition of assistance requires the abandonment of their pets. Evidence shows that people experiencing homelessness are more likely to accept temporary or interim housing if the housing is low-barrier. Typically, low-barrier housing allows for pets, allows individuals to keep their possessions, and provides non-congregate settings, with privacy. Over the last few years, state programs and policies have encouraged low-barrier shelters and navigation centers.

The 2019 state budget allocated \$5 million to HCD to create the PAS program to provide shelter, food, and basic veterinarian services for pets of individuals in homeless shelters. The PAS program provides grants to cities, counties and nonprofit corporations with a primary mission to shelter individuals experiencing homelessness and meeting the definition of "qualified shelter," meaning they have rules of conduct and responsibility, provide crates or kenneling, provide food to both homeless individuals and their and pets, and offer veterinarian services.

HCD issued the first notice of funding availability (NOFA) for the PAS program in December 2019. In the first round of the NOFA, 49 applications requesting approximately \$9 million were submitted to HCD. In April 2020, grants of either \$100,000 or \$200,000 were provided to 28 shelters, with the size of the grant proportional to the applicant's operating budget and funding gap. All grant funds had to be spent by December 30, 2022. The 2021-22 budget included \$10 million for the PAS program. The NOFA for the latest round of the PAS program closed April 8, 2022, and a total of 70 applications were submitted for a requested \$18 million. The PAS program received \$1 million in the 2022-23 state budget.

This bill essentially makes the PAS program permanent and expands its scope to include qualified domestic violence shelters with pet-friendly policies.

3) **Prior Legislation.** SB 344 (Hertzberg), of the 2021-22 Legislative Session, was substantially similar to this bill, but did not apply to domestic violence shelters and would have allowed HCD to use only 5% of the funds for administration. SB 344 was held on this committee's suspense file.

SB 258 (Hertzberg), of the 2019-20 Legislative Session, was similar to SB 344. SB 258 was held on this committee's suspense file.

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