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

SEC. 20.77. CONTINUING ELIGIBILITY.

(a) Persons who meet the requirements for eligibility for PAES shall receive cash stipends pursuant to this Article IX. Participants are required to comply with all applicable provisions of this Article and the regulations promulgated thereunder. Participants who fail to comply with applicable provisions of this Article and the regulations promulgated thereunder without good cause 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.

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

SEC. 20.107. CONTINUING ELIGIBILITY.

(a) Persons who meet the requirements for eligibility for CALM shall receive cash payments pursuant to this Article X. Recipients are required to comply with all applicable provisions of this Article and the regulations promulgated thereunder. Recipients who fail to comply with applicable provisions of this Article and the regulations promulgated thereunder may have their assistance 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.

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

SEC. 20.207. CONTINUING ELIGIBILITY.

(a) Persons who meet the requirements for eligibility for SSIP shall receive cash payments pursuant to this Article XI. Recipients are required to comply with all applicable provisions of this Article and the regulations promulgated thereunder. Recipients who fail to comply with applicable provisions of this Article and the regulations promulgated thereunder may have their SSIP payment 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.

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

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

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

ARTICLE XV: CAAP DISCONTINUANCE RENTAL ASSISTANCE PILOT PROJECT

SEC. 20.1500. FINDINGS.

The San Francisco Human Services Agency ("HSA") administers the County Adult Assistance Programs (CAAP) for the City and County of San Francisco ("City"), which programs provide financial assistance and social services to indigent adults who have no other source of income or
benefits. CAAP consists of General Assistance (GA), Personal Assisted Employment Services (PAES), Cash Assistance Linked to Medi-Cal (CALM), and Supplemental Security Income Pending (SSIP), as those programs are set forth in Articles VII through XI of Chapter 20 of the Administrative Code.

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

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

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

As of the adoption of this Article XV, HSA practice is to provide advance notice to HSA-funded supportive housing providers when a CAAP participant in their building is at risk of discontinuance. Housing providers are contractually obligated to follow up with the participant to attempt to prevent
the discontinuance of CAAP aid or to assist the participant to reinstate CAAP aid. HSA-funded supportive housing providers are also authorized to forgive one month of rent debt in such situations so that the client can reestablish benefits without jeopardizing their housing stability.

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

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

SEC. 20.1501. THE CAAP DISCONTINUANCE RENTAL ASSISTANCE PILOT PROJECT.

(a) The Board of Supervisors hereby establishes the CAAP Discontinuance Rental Assistance Pilot Project (“Pilot Project”).

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

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

(1) be a recipient of financial assistance through General Assistance (GA), the Personal Assisted Employment Services (PAES) Program, Cash Assistance Linked to Medi-Cal.
(CALM), or Supplemental Security Income Pending (SSIP), as those programs are set forth in Articles VII through XI of Chapter 20 of the Administrative Code:

(2) reside in HSA-funded Single Room Occupancy (SRO) buildings; and

(3) be facing the discontinuance of financial assistance resulting from three acts of negligent failure to comply with CAAP program requirements.

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

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

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

(1) The Human Services Agency (“HSA”) shall administer the Pilot Project.

(2) When a CAAP recipient satisfies the eligibility criteria set forth in Section 20.1501(c), HSA shall discontinue cash benefits, but shall pay the client’s share of rent directly to the housing provider for a period of one month following discontinuance.

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

SEC. 20.1502. ANNUAL REPORT TO BOARD OF SUPERVISORS.

By October 1 of each year, the Human Services Agency shall submit to the Board of Supervisors a report describing the number of individuals who received benefits under the Pilot Project during the
prior fiscal year and estimating the effectiveness of the Pilot Project at preserving housing security, and including recommendations as appropriate.

SEC. 20.1503. PROMOTION OF GENERAL WELFARE.

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

SEC. 20.1504. SUNSET PROVISION.

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

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

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

By: Anne Pearson
Deputy City Attorney

n:

Supervisor Farrell
BOARD OF SUPERVISORS
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.

April 20, 2016 Budget and Finance Sub-Committee - RECOMMENDED

April 26, 2016 Board of Supervisors - PASSED, ON FIRST READING
   Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

May 03, 2016 Board of Supervisors - FINALLY PASSED
   Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Tang, Wiener and Yee
   Absent: 1 - Mar

File No. 151279

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 5/3/2016 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

Date Approved: 5/3/16