

**Metropolitan Transportation Commission and Association of Bay Area Governments  
Joint MTC ABAG Legislation Committee**

**July 14, 2023**

**Agenda Item 3c**

**Assembly Bill 1085 (Maienschein): Housing Support Services**

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**Subject:**

Adds housing support services as a new Medi-Cal benefit for enrollees experiencing homelessness or at risk of becoming homeless to stabilize their housing situation.

**Background:**

Assembly Bill (AB) 1085 requires the state Department of Health Care Services (department) to apply for federal approval of a new Medi-Cal benefit called “housing support services” for enrollees experiencing homelessness or at risk of homelessness. The requirement is conditioned on the department determining that an adequate network of service providers exists. If the network is insufficient to provide the benefit statewide, AB 1085 requires the department to recommend steps for building capacity and provide a timeline for implementation.

Housing support services are designed to increase housing stability, thereby reducing homelessness and the high usage of expensive medical services that result from instability. As defined in the bill, these services could include help finding appropriate housing, one-time move-in expenses, ongoing assistance with health care coordination, finding and keeping a job, and similar services that help people sustain their housing. Continued assistance may be provided as part of the more extensive services offered in supportive housing communities.

Currently, Medi-Cal Managed Care plans (plans) can choose whether to offer housing support services to their enrollees. The department has provided financial incentives to the plans to do so and expects plans will have a robust network of housing service providers by next year. It states it intends to eventually incorporate housing supports as a full Medi-Cal benefit.

If the federal government approves the benefit, it will cover 90 percent of the cost, with a 10 percent state match. The administration has not shared an estimate of the total potential cost.

AB 1085 is co-sponsored by the Corporation for Supportive Housing and Western Center on Law and Poverty. Bay Area supporters include Alameda County, the City of San Jose, All Home, Enterprise Community Partners, the Nonprofit Housing Association of Northern California, individual nonprofit developers, and the San Francisco Housing Accelerator Fund.

**Recommendation:**

Support / ABAG Executive Board Approval

Support / MTC Commission Approval

**Discussion:**

The ongoing housing sustaining services that would be funded under AB 1085 are one component of the three-legged stool that supports permanent supportive housing development; capital funding and operating dollars are the other two. One-time funding sources like bonds can cover capital needs and create reserves for operating expenses. Reliable funding for services, however, is scarce, as city, county and housing authority staff emphasized at a recent Bay Area Housing Finance Authority (BAHFA) convening on permanent supportive housing. AB 1085 is an opportunity to secure a stable revenue source to maintain the deep level of support services essential for supportive housing residents to remain housed. According to the author, twenty other states currently provide Medicaid-funded housing support services. (Medi-Cal is the state's name for Medicaid.)

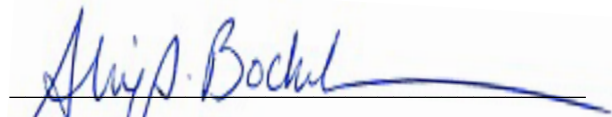
Decades of research have shown supportive housing is highly effective at ending homelessness among people living with a disability and, according to the Corporation for Supportive Housing, often is less expensive than the revolving door of emergency rooms, hospital admissions, and the streets. The Bay Area Housing Finance Authority's draft Business Plan and Equity Framework highlights the region's paucity of supportive housing, details the significant overrepresentation of black Bay Area residents among people experiencing homelessness, and outlines the roles BAHFA could play in spurring equitable, supportive housing development if sufficient non-BAHFA funding for services can be identified.

**Known Positions:**

See Attachment A

**Attachments:**

- Attachment A: AB 1085 known positions



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