

ASSEMBLY BILL

No. 328

**Introduced by Assembly Members Chiu, Kalra, and Wicks
(Coauthors: Assembly Members Bonta, Burke, Carrillo, Lee, and
Luz Rivas)
(Coauthor: Senator Wiener)**

January 26, 2021

An act to add Chapter 2.9 (commencing with Section 50492) to Part 2 of Division 31 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 328, as introduced, Chiu. Reentry Housing Program.

Existing law establishes the Department of Housing and Community Development in the Business, Consumer Services, and Housing Agency and makes the department responsible for administering various housing programs throughout the state, including, among others, the Multifamily Housing Program, the Housing for a Healthy California Program, and the California Emergency Solutions Grants Program.

This bill would establish the Reentry Housing Program. The bill would require the department to, on or before July 1, 2022, take specified actions to, upon appropriation by the Legislature, provide grants to counties and continuums of care, as defined, for evidence-based housing and housing-based services interventions to allow people with recent histories of incarceration to exit homelessness and remain stably housed.

The bill would require the department to score applicants to the program competitively according to specified criteria. The bill would require recipients of funds from the program to use those funds for, among other things, long-term rental assistance in permanent housing,

incentives to landlords, and services to assist participants in accessing permanent supportive housing. The bill would require the department to distribute funds allocated by executing contracts with awarded entities for a term of 5 years.

The bill would require a recipient of the program to submit an annual report to the department. The bill would require the department to hire an independent evaluator to assess outcomes from the program and would require the department to submit that analysis to specified committees of the Legislature.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) People on parole are seven times more likely to recidivate
4 when homeless than when housed.

5 (b) Evidence shows that “supportive housing,” or housing that
6 is affordable to people on parole living in extreme poverty that
7 does not limit length of stay and offers tenants services promoting
8 housing stability, reduces recidivism. In fact, data show
9 evidence-based housing decreases recidivism rates by 60%, when
10 compared to control groups, and reduces rearrests by 40%.

11 (c) About half of people experiencing homelessness report a
12 history of incarceration.

13 (d) Formerly incarcerated people are 27 times more likely to be
14 unstably housed or homeless than the general public.

15 (e) African Americans are almost seven times more likely to be
16 homeless than the general population in California, driven by
17 systemic racism that includes disproportionate incarceration, and
18 discharges from prisons and jails into homelessness.

19 (f) Projected population decline in California’s state prisons in
20 the next few years is expected to reduce future cost growth for the
21 Department of Corrections and Rehabilitation (CDCR) both
22 through a reduction in inmates and staff, as well as the closure of
23 two state facilities. In the short term, the CDCR will save several
24 hundreds of millions of dollars due to a decrease in prison
25 population, which decreases per person costs for clothing, food,
26 etc. The closure of at least two state correctional facilities between

1 2021 and 2024 would yield savings in utilities, staffing, and
2 equipment, as well as a reduction in the inmate and ward
3 population. The Legislative Analyst’s Office estimates \$1.5 billion
4 in total savings by 2025 as a result of these changes, freeing
5 valuable resources that can be repurposed for sustainable criminal
6 justice solutions through the CDCR.

7 (g) It is the intent of the Legislature to repurpose funding from
8 the closure of state prisons to provide evidence-based solutions to
9 house people experiencing homelessness with histories of
10 incarceration.

11 (h) The Department of Housing and Community Development,
12 with its expertise in overseeing grant programs for housing and
13 services, and counties and continuums of care, which often have
14 experience providing housing and services to people exiting
15 incarceration, is an appropriate entity to administer programs
16 offering evidence-based housing and services interventions to
17 people on parole experiencing homelessness.

18 SEC. 2. Chapter 2.9 (commencing with Section 50492) is added
19 to Part 2 of Division 31 of the Health and Safety Code, to read:

20
21 CHAPTER 2.9. REENTRY HOUSING PROGRAM

22
23 50492. For purposes of this article, the following definitions
24 apply:

25 (a) “Applicant” means a county or continuum of care that has
26 applied to receive funds under the program.

27 (b) “Chronically homeless” has the same meaning as in Parts
28 91 and 578 of Title 24 of the Code of Federal Regulations, as those
29 parts read on January 1, 2021, except that people who were
30 chronically homeless before entering an institution would continue
31 to be defined as chronically homeless upon discharge, regardless
32 of length of institutional stay.

33 (c) “County” shall include a city that is also a county or cities
34 working with counties to apply for grant funds.

35 (d) “Continuum of Care” means a group organized to provide
36 services under this chapter that is composed of representatives of
37 organizations, including nonprofit homeless providers, victim
38 service providers, faith-based organizations, governments,
39 businesses, advocates, public housing agencies, school districts,
40 social service providers, mental health agencies, hospitals,

1 universities, affordable housing developers, law enforcement,
2 organizations that serve homeless and formerly homeless veterans,
3 and homeless and formerly homeless persons to the extent these
4 groups are represented within the geographic area and are available
5 to participate.

6 (e) “Department” means the Department of Housing and
7 Community Development, unless otherwise identified.

8 (f) “Fair market rent” means the rent, including the cost of
9 utilities, as established by the United States Department of Housing
10 and Urban Development, pursuant to Part 888 and Part 982 of Title
11 24 of the Code of Federal Regulations, as those parts read on
12 January 1, 2021, for units by number of bedrooms, that must be
13 paid in the market area to rent privately owned, existing, decent,
14 safe, and sanitary rental housing of nonluxury nature with suitable
15 amenities.

16 (g) “Homeless” has the same meaning as in Section 91.5 of
17 Subpart A of Part 91 of Subtitle A of Title 24 of the Code of
18 Federal Regulations, except that people exiting prison who were
19 homeless when incarcerated and who have no identified residence
20 upon exit, will also be considered “homeless” or “likely to become
21 homeless upon release.”

22 (h) “Homeless service provider” means an organization that
23 qualifies as an exempt organization under Section 501(c)(3) of the
24 Internal Revenue Code and that contracts with a participating
25 county for the purpose of providing services to people experiencing
26 homelessness.

27 (i) “Housing First” has the same meaning as in Section 8255 of
28 the Welfare & Institutions Code.

29 (j) “Interim Interventions” means housing that does not qualify
30 as permanent housing as defined under subdivision (l), including,
31 but not limited to, emergency shelters, motel vouchers, or
32 navigation centers as defined under other federal, state, or local
33 programs. All programs providing interim housing funded pursuant
34 to this chapter shall have partnerships or other linkages to homeless
35 services to connect individuals and families to income, public
36 benefits, health services, and permanent housing.

37 (k) “Likely to become homeless upon release” means the
38 potential participant has a history of experiencing “homelessness”
39 as that term is used in Section 11302(a) of Title 42 of the United
40 States Code and who meets either of the following:

1 (1) The person has not identified a fixed, regular, and adequate
2 nighttime residence for release.

3 (2) The person has an identified residence that includes a
4 supervised publicly or privately operated shelter designed to
5 provide temporary living accommodations, or a public or private
6 place not designed for, or is not ordinarily used as, a regular
7 sleeping accommodation for human beings.

8 (l) “Permanent housing” means a structure or set of structures
9 with subsidized or unsubsidized rental housing units subject to
10 applicable landlord-tenant law, with no limit on length of stay and
11 no requirement to participate in supportive services as a condition
12 of access to or continued occupancy in the housing.

13 (m) “Program” means the Reentry Housing Program.

14 (n) “Reasonable rent” means up to two times the fair market
15 rent that is also consistent with market rent in the community in
16 which the rental unit is located.

17 (o) “Rental assistance” means a rental subsidy provided to a
18 housing provider, including a developer leasing affordable or
19 supportive housing, to assist a tenant to pay the difference between
20 30 percent of the tenant’s income and either fair market rent or
21 reasonable rent as determined by the grant recipient and approved
22 by the department.

23 (p) “Subrecipient” means a unit of local government or a private
24 nonprofit organization that the recipient determines is qualified to
25 undertake the eligible activities for which the recipient seeks funds
26 under the program, and that enters into a contract with the recipient
27 to undertake those eligible activities in accordance with the
28 requirements of the program.

29 (q) “Supportive housing” means permanent housing with no
30 limit on the length of stay that is linked to onsite or offsite services
31 that assist the supportive housing residents in retaining the housing,
32 improving their health status, and maximizing their ability to live
33 and, when possible, work in the community. “Permanent supportive
34 housing” includes associated facilities if used to provide services
35 to housing residents.

36 (r) “Voluntary services” means services offered in conjunction
37 with housing where the housing is not contingent on participation
38 in services, tenants are not evicted based on failure to participate
39 in services, the service provider encourages the tenant to participate

1 in services to participate in services using evidence-based
2 engagement models, and services are flexible and tenant-centered.

3 50492.1. (a) There is hereby created the Reentry Housing
4 Program. It is the intent of the Legislature that the Department of
5 Corrections and Rehabilitation will calculate the annual savings
6 that result from the closure of prisons and to redirect those savings
7 to the Reentry Housing Program.

8 (b) On or before July 1, 2022, the department shall do all of the
9 following to create the program to, upon appropriation by the
10 Legislature, provide grants for evidence-based housing and
11 housing-based services interventions to allow people with recent
12 histories of incarceration to exit homelessness and remain stably
13 housed:

14 (1) Establish a process for referral of eligible participants into
15 the program.

16 (2) Work with the Department of Corrections and Rehabilitation
17 to establish protocols to prevent discharges from prison into
18 homelessness.

19 (3) Issue guidelines establishing the grant program and a notice
20 of funding availability or request for proposals for five-year
21 renewable grants to counties and homeless continuums of care,
22 based on criteria to score applicants for grant funds competitively.
23 Scoring criteria shall include, but not be limited to, the following:

24 (A) Need, which includes consideration of the number of
25 individuals experiencing homelessness, people on parole, and
26 people with recent histories of incarceration, to the extent data are
27 available.

28 (B) The extent of coordination and collaboration between the
29 county, the homeless continuum of care covering the geographic
30 area, and homeless service providers with a history of serving
31 people reentering communities from incarceration.

32 (C) Experience using Housing First core components to address
33 the needs of the eligible population.

34 (D) The ability of the applicant or proposed subrecipients to
35 administer or partner to administer funding for rental assistance
36 and evidence-based services interventions.

37 (E) The applicant's documented partnerships with affordable
38 and supportive housing providers in the jurisdiction.

39 (F) Demonstrated commitment to address the needs of people
40 experiencing homelessness and recent incarceration through

1 existing programs or programs planned to be implemented within
2 12 months.

3 (G) Proposed use of funds, the extent to which those uses are
4 evidence based, and the extent to which the proposed use will lead
5 to overall reductions in homelessness and recidivism.

6 (H) In counties overseeing housing authorities, the extent to
7 which an applicant demonstrates housing authorities have
8 eliminated or plan to eliminate restrictions against people with
9 arrests or criminal convictions to access publicly funded housing
10 subsidies, notwithstanding restrictions mandated by the United
11 States Department of Housing and Urban Development.

12 (c) Applicants to the program shall also provide the following:

13 (1) A viable plan to provide permanent housing with services
14 based on evidence-based practices, as described in Section 50492.3.

15 (2) Performance metrics and goals the counties will achieve
16 through this program.

17 (3) A description of experience in successfully administering
18 or overseeing the activities the recipient plans to fund through the
19 program.

20 (d) (1) Individuals or families are eligible for participation in
21 a program funded pursuant to a grant through this chapter if they
22 meet all of the following conditions:

23 (A) They voluntarily choose to participate.

24 (B) One of the following applies:

25 (i) They have been assigned a date of release within 60 to 180
26 days and they are likely to become homeless upon release.

27 (ii) They are currently experiencing homelessness as a person
28 on parole.

29 (iii) They are currently experiencing homelessness and were
30 incarcerated in state prison within the last five years.

31 (2) A participant shall continue to receive housing and services
32 funded under the program after discharge from parole, so long as
33 the participant needs this assistance.

34 50492.2. (a) A recipient in the program shall use program
35 funds for the following eligible activities:

36 (1) Long-term rental assistance in permanent housing.

37 (2) Operating subsidies in new and existing affordable or
38 supportive housing units, in an amount the applicant identifies,
39 but no more than fair market rent for the community in which the

1 project is located. Operating subsidies may include capitalized
2 operating subsidy reserves.

3 (3) Incentives to landlords, including, but not limited to, security
4 deposits and holding fees.

5 (4) Services to assist participants in accessing permanent
6 supportive housing and to promote housing stability in supportive
7 housing, including services identified in subdivision (c).

8 (5) If necessary, operating support for interim interventions with
9 services to meet the specific needs of the eligible population.

10 (b) Recipients shall ensure service providers offer
11 evidence-based voluntary services in conjunction with housing to
12 obtain and maintain health and housing stability while participants
13 are on parole and after discharge from parole, for as long as the
14 participant needs the services or until the grant period ends.

15 (c) The services shall be offered to participants in their home,
16 or be made as easily accessible to participants as possible, and
17 shall include, but are not limited to, all of the following:

18 (1) Case management services.

19 (2) Parole discharge planning.

20 (3) Linkage to other services, including education and
21 employment services, as needed.

22 (4) Benefit entitlement application and appeal assistance, as
23 needed.

24 (5) Transportation assistance to obtain services and health care,
25 as needed.

26 (6) Assistance obtaining appropriate identification, as needed.

27 (7) Linkage to Medi-Cal funded mental health treatment,
28 substance use disorder treatment, and medical treatment, as
29 medically necessary.

30 (d) For participants identified prior to release from prison, upon
31 the provider's receipt of referral and in collaboration with the
32 parole agent and, if appropriate, staff, the intake coordinator or
33 case manager of the provider shall, when possible:

34 (1) Receive all prerelease assessments and discharge plans.

35 (2) Draft a plan for the participant's transition into affordable
36 or supportive housing.

37 (3) Engage the participant to actively participate in services
38 upon release on a voluntary basis.

39 (4) Assist in obtaining identification for the participant, if
40 necessary.

1 (5) Assist in applying for any benefits for which the participant
2 is eligible.

3 50492.3. (a) Recipients and providers shall adhere to the core
4 components of Housing First.

5 (b) Providers shall identify and locate housing opportunities for
6 participants prior to release from state prison or as quickly upon
7 release from state prison as possible.

8 (c) Housing identified pursuant to subdivision (b) shall satisfy
9 all of the following:

10 (1) The housing is located in an apartment building, townhouse,
11 or single-family home, including rent-subsidized apartments leased
12 in the open market or set aside within privately owned buildings,
13 or affordable or supportive housing receiving a publicly funded
14 subsidy.

15 (2) The housing is not subject to community care licensing
16 requirements or is exempt from licensing under Section 1504.5 of
17 the Health and Safety Code.

18 50492.4. (a) The department shall distribute funds allocated
19 by executing contracts with awarded entities that shall be for a
20 term of five years, subject to renewal. After a contract has expired
21 pursuant to this subdivision, any funds not expended for eligible
22 activities shall revert to the department for use for the program.

23 (b) A recipient shall submit to the department an annual report
24 on a form issued by the department, pertaining to the recipient's
25 program or project selection process, contract expenditures, and
26 progress toward meeting state and local goals, as demonstrated by
27 the performance measures set forth in the application. Recipients
28 shall, along with any other data as required by the department,
29 report all of the following:

30 (1) The number of participants served.

31 (2) The types of services that were provided to program
32 participants.

33 (3) Whether the recipient met performance metrics identified
34 in their application.

35 (4) The outcomes for participants, including the number who
36 remain permanently housed, the number who ceased to participate
37 in the program and the reason why, the number who returned to
38 state prison or were incarcerated in county jail, the number of
39 arrests among participants, and the number of days in jail or prison
40 among participants, to the extent data are available.

- 1 (c) As part of the annual report required pursuant to subdivision
- 2 (b), the recipient shall report to the department on the expenditures
- 3 and activities of any subrecipients for each year of the term of the
- 4 contract with the department until all funds awarded to a
- 5 subrecipient have been expended.
- 6 (d) The department shall design an evaluation and hire an
- 7 independent evaluator to assess outcomes from the program, which
- 8 shall include, but not be limited to, the following:
- 9 (1) The total number of parolees served and the type of
- 10 interventions provided.
- 11 (2) The housing status of participants at 12, 24, and 36 months
- 12 after entering the program, to the extent data are available,
- 13 including how many participants remain in permanent housing.
- 14 (3) Recidivism among participants, including the number of
- 15 arrests, days incarcerated, and incarceration in jail or prison.
- 16 (e) The department may monitor the expenditures and activities
- 17 of the recipient, as the department deems necessary, to ensure
- 18 compliance with program requirements.
- 19 (f) The department may, as it deems appropriate or necessary,
- 20 request the repayment of funds from an administrative entity or
- 21 pursue any other remedies available to it by law for failure to
- 22 comply with program requirements.
- 23 (g) The department shall submit, on or before February 1, 2025,
- 24 the analysis prepared pursuant to subdivision (d) to the chairs of
- 25 the Joint Legislative Budget Committee, the Senate Committee
- 26 on Budget and Fiscal Review, the Assembly Committee on Budget,
- 27 the Senate and Assembly Committees on Public Safety, the Senate
- 28 Committee on Housing, and the Assembly Committee on Housing
- 29 and Community Development.