File	No.	210127

Committee Item No.		
Board Item No.	27	

COMMITTEE/BOARD OF SUPERVISORS

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OTHER		
	lifornia State Assembly Bill No.	328 - 1/26/21
Prepared by: Lisa Lew Date: February 5, 2021 Prepared by: Date:		_

1	[Supporting California State Assembly Bill No. 328 (Chiu) - Reentry Housing Program]
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3	Resolution supporting California Assembly Bill No. 328, authored by Assembly Member
4	David Chiu, and co-authored by Assembly Members Ash Kalra and Buffy Wicks, and
5	co-authored by Senator Scott Wiener, to establish the Reentry Housing Program.
6	
7	WHEREAS, On January 27, 2021, Assembly Member David Chiu introduced California
8	State Assembly Bill No. 328 (AB 328), and co-authored by Assembly Members Ash Kalra and
9	Buffy Wicks, and co-authored by Senator Scott Wiener, to establish the Reentry Housing
10	Program by repurposing funding from the closure of state prisons to provide evidence-based
11	solutions to house people experiencing homelessness with histories of incarceration; and
12	WHEREAS, People on parole are seven times more likely to recidivate when homeless
13	than when housed; and
14	WHEREAS, Evidence shows that "supportive housing," or housing that is affordable to
15	people on parole living in extreme poverty that does not limit length of stay and offers tenants
16	services promoting housing stability, reduces recidivism; and
17	WHEREAS, Data show that housing decreases recidivism rates by 60%, when
18	compared to control groups, and reduces rearrests by 40%; and
19	WHEREAS, About half of people experiencing homelessness report a history of
20	incarceration; and
21	WHEREAS, Formerly incarcerated people are 27 times more likely to be unstably
22	housed or homeless than the general public; and
23	WHEREAS, African Americans are almost seven times more likely to be homeless than
24	the general population in California, driven by systemic racism that includes disproportionate
25	incarceration, and discharges from prisons and jails into homelessness; and

Supervisors Walton; Mandelman, Ronen, Melgar, Stefani, Chan, Mar ${\bf BOARD}$ of ${\bf SUPERVISORS}$

1	WHEREAS, Projected population decline in California's state prisons in the next few
2	years is expected to reduce future cost growth for the Department of Corrections and
3	Rehabilitation (CDCR) both through a reduction in incarcerated individuals and staff, as well
4	as the closure of two state facilities; and
5	WHEREAS, California's incarcerated population is currently at about 94,000 compared
6	to 123,100 in February 2020, a number the California Legislative Analyst's Office predicts will
7	hold steady for the next several years due to recent efforts to reform the criminal justice
8	system including Proposition 47 in 2014, Proposition 57 in 2016, and the COVID-19
9	pandemic; and
10	WHEREAS, In the short term, the CDCR will save several hundreds of millions of
11	dollars due to a decrease in incarcerated population, which decreases per person costs for
12	clothing, food, etc. and the closure of at least two state correctional facilities between 2021
13	and 2024 would yield savings in utilities, staffing, and equipment, as well as a reduction in the
14	incarcerated and ward population; and
15	WHEREAS, The California Legislative Analyst's Office estimates \$1.5 billion in total
16	savings by 2025 as a result of these changes, freeing valuable resources that can be
17	repurposed for sustainable criminal justice solutions through the CDCR; and
18	WHEREAS, The California Department of Housing and Community Development, with
19	its expertise in overseeing grant programs for housing and services, and counties and
20	continuums of care, which often have experience providing housing and services to people
21	exiting incarceration, is an appropriate entity to administer programs offering evidence-based
22	housing and services interventions to people on parole experiencing homelessness; and
23	WHEREAS, AB 328 will determine protocols to prevent discharges from prison to
24	homelessness and establish guidelines to determine funding availability, five-year renewability

requests, and a scoring criteria for applicants in the program; and

1	WHEREAS, AB 328 will allow individuals in the program to use program funds for long-
2	term rental assistance in permanent housing, operating subsidies in affordable or supportive
3	housing units, housing incentives like security deposits and holding fees, assistance services
4	for accessing permanent supportive housing, and service providers offering health and
5	housing stability; and
6	WHEREAS, Participants in the Reentry Housing Program will have access to case
7	management services, parole discharge planning, other services like education and
8	employment services, benefit entitlement application and appeal assistance, transportation
9	assistance to access services, identification assistance, Medi-Cal funded mental health
10	treatment, substance use disorder treatment, and more based on the individual's specific
11	needs; now, therefore, be it
12	RESOLVED, That the San Francisco Board of Supervisors hereby supports California
13	Assembly Bill No. 328, Reentry Housing Program, and urges the California State Legislature
14	to pass this bill; and, be it
15	FURTHER RESOLVED, That the Board of Supervisors hereby directs the Clerk of the
16	Board to transmit a copy of this Resolution to the California State Assembly and the California
17	State Senate as well as the Bill's primary sponsor, Assembly Member David Chiu.
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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,

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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 when homeless than when housed.
 - (b) Evidence shows that "supportive housing," or housing that is affordable to people on parole living in extreme poverty that does not limit length of stay and offers tenants services promoting housing stability, reduces recidivism. In fact, data show evidence-based housing decreases recidivism rates by 60%, when compared to control groups, and reduces rearrests by 40%.
 - (c) About half of people experiencing homelessness report a history of incarceration.
 - (d) Formerly incarcerated people are 27 times more likely to be unstably housed or homeless than the general public.
 - (e) African Americans are almost seven times more likely to be homeless than the general population in California, driven by systemic racism that includes disproportionate incarceration, and discharges from prisons and jails into homelessness.
 - (f) Projected population decline in California's state prisons in the next few years is expected to reduce future cost growth for the Department of Corrections and Rehabilitation (CDCR) both through a reduction in inmates and staff, as well as the closure of two state facilities. In the short term, the CDCR will save several hundreds of millions of dollars due to a decrease in prison population, which decreases per person costs for clothing, food, etc. The closure of at least two state correctional facilities between

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

- (g) It is the intent of the Legislature to repurpose funding from the closure of state prisons to provide evidence-based solutions to house people experiencing homelessness with histories of incarceration.
- (h) The Department of Housing and Community Development, with its expertise in overseeing grant programs for housing and services, and counties and continuums of care, which often have experience providing housing and services to people exiting incarceration, is an appropriate entity to administer programs offering evidence-based housing and services interventions to people on parole experiencing homelessness.
- SEC. 2. Chapter 2.9 (commencing with Section 50492) is added to Part 2 of Division 31 of the Health and Safety Code, to read:

Chapter 2.9. Reentry Housing Program

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

- (a) "Applicant" means a county or continuum of care that has applied to receive funds under the program.
- (b) "Chronically homeless" has the same meaning as in Parts 91 and 578 of Title 24 of the Code of Federal Regulations, as those parts read on January 1, 2021, except that people who were chronically homeless before entering an institution would continue to be defined as chronically homeless upon discharge, regardless of length of institutional stay.
- (c) "County" shall include a city that is also a county or cities working with counties to apply for grant funds.
- (d) "Continuum of Care" means a group organized to provide services under this chapter that is composed of representatives of organizations, including nonprofit homeless providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals,

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

- (e) "Department" means the Department of Housing and Community Development, unless otherwise identified.
- (f) "Fair market rent" means the rent, including the cost of utilities, as established by the United States Department of Housing and Urban Development, pursuant to Part 888 and Part 982 of Title 24 of the Code of Federal Regulations, as those parts read on January 1, 2021, for units by number of bedrooms, that must be paid in the market area to rent privately owned, existing, decent, safe, and sanitary rental housing of nonluxury nature with suitable amenities.
- (g) "Homeless" has the same meaning as in Section 91.5 of Subpart A of Part 91 of Subtitle A of Title 24 of the Code of Federal Regulations, except that people exiting prison who were homeless when incarcerated and who have no identified residence upon exit, will also be considered "homeless" or "likely to become homeless upon release."
- (h) "Homeless service provider" means an organization that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code and that contracts with a participating county for the purpose of providing services to people experiencing homelessness.
- (i) "Housing First" has the same meaning as in Section 8255 of the Welfare & Institutions Code.
- (j) "Interim Interventions" means housing that does not qualify as permanent housing as defined under subdivision (*l*), including, but not limited to, emergency shelters, motel vouchers, or navigation centers as defined under other federal, state, or local programs. All programs providing interim housing funded pursuant to this chapter shall have partnerships or other linkages to homeless services to connect individuals and families to income, public benefits, health services, and permanent housing.
- (k) "Likely to become homeless upon release" means the potential participant has a history of experiencing "homelessness" as that term is used in Section 11302(a) of Title 42 of the United States Code and who meets either of the following:

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

- (2) The person has an identified residence that includes a supervised publicly or privately operated shelter designed to provide temporary living accommodations, or a public or private place not designed for, or is not ordinarily used as, a regular sleeping accommodation for human beings.
- (*l*) "Permanent housing" means a structure or set of structures with subsidized or unsubsidized rental housing units subject to applicable landlord-tenant law, with no limit on length of stay and no requirement to participate in supportive services as a condition of access to or continued occupancy in the housing.
 - (m) "Program" means the Reentry Housing Program.
- (n) "Reasonable rent" means up to two times the fair market rent that is also consistent with market rent in the community in which the rental unit is located.
- (o) "Rental assistance" means a rental subsidy provided to a housing provider, including a developer leasing affordable or supportive housing, to assist a tenant to pay the difference between 30 percent of the tenant's income and either fair market rent or reasonable rent as determined by the grant recipient and approved by the department.
- (p) "Subrecipient" means a unit of local government or a private nonprofit organization that the recipient determines is qualified to undertake the eligible activities for which the recipient seeks funds under the program, and that enters into a contract with the recipient to undertake those eligible activities in accordance with the requirements of the program.
- (q) "Supportive housing" means permanent housing with no limit on the length of stay that is linked to onsite or offsite services that assist the supportive housing residents in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community. "Permanent supportive housing" includes associated facilities if used to provide services to housing residents.
- (r) "Voluntary services" means services offered in conjunction with housing where the housing is not contingent on participation in services, tenants are not evicted based on failure to participate in services, the service provider encourages the tenant to participate

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

- 50492.1. (a) There is hereby created the Reentry Housing Program. It is the intent of the Legislature that the Department of Corrections and Rehabilitation will calculate the annual savings that result from the closure of prisons and to redirect those savings to the Reentry Housing Program.
- (b) On or before July 1, 2022, the department shall do all of the following to create the program to, upon appropriation by the Legislature, provide grants for evidence-based housing and housing-based services interventions to allow people with recent histories of incarceration to exit homelessness and remain stably housed:
- (1) Establish a process for referral of eligible participants into the program.
- (2) Work with the Department of Corrections and Rehabilitation to establish protocols to prevent discharges from prison into homelessness.
- (3) Issue guidelines establishing the grant program and a notice of funding availability or request for proposals for five-year renewable grants to counties and homeless continuums of care, based on criteria to score applicants for grant funds competitively. Scoring criteria shall include, but not be limited to, the following:
- (A) Need, which includes consideration of the number of individuals experiencing homelessness, people on parole, and people with recent histories of incarceration, to the extent data are available.
- (B) The extent of coordination and collaboration between the county, the homeless continuum of care covering the geographic area, and homeless service providers with a history of serving people reentering communities from incarceration.
- (C) Experience using Housing First core components to address the needs of the eligible population.
- (D) The ability of the applicant or proposed subrecipients to administer or partner to administer funding for rental assistance and evidence-based services interventions.
- (E) The applicant's documented partnerships with affordable and supportive housing providers in the jurisdiction.
- (F) Demonstrated commitment to address the needs of people experiencing homelessness and recent incarceration through

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

- (G) Proposed use of funds, the extent to which those uses are evidence based, and the extent to which the proposed use will lead to overall reductions in homelessness and recidivism.
- (H) In counties overseeing housing authorities, the extent to which an applicant demonstrates housing authorities have eliminated or plan to eliminate restrictions against people with arrests or criminal convictions to access publicly funded housing subsidies, notwithstanding restrictions mandated by the United States Department of Housing and Urban Development.
 - (c) Applicants to the program shall also provide the following:
- (1) A viable plan to provide permanent housing with services based on evidence-based practices, as described in Section 50492.3.
- (2) Performance metrics and goals the counties will achieve through this program.
- (3) A description of experience in successfully administering or overseeing the activities the recipient plans to fund through the program.
- (d) (1) Individuals or families are eligible for participation in a program funded pursuant to a grant through this chapter if they meet all of the following conditions:
 - (A) They voluntarily choose to participate.
 - (B) One of the following applies:

- (i) They have been assigned a date of release within 60 to 180 days and they are likely to become homeless upon release.
- (ii) They are currently experiencing homelessness as a person on parole.
- (iii) They are currently experiencing homelessness and were incarcerated in state prison within the last five years.
- (2) A participant shall continue to receive housing and services funded under the program after discharge from parole, so long as the participant needs this assistance.
- 50492.2. (a) A recipient in the program shall use program funds for the following eligible activities:
 - (1) Long-term rental assistance in permanent housing.
- (2) Operating subsidies in new and existing affordable or supportive housing units, in an amount the applicant identifies,
- 39 but no more than fair market rent for the community in which the

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

- (3) Incentives to landlords, including, but not limited to, security deposits and holding fees.
- (4) Services to assist participants in accessing permanent supportive housing and to promote housing stability in supportive housing, including services identified in subdivision (c).
- (5) If necessary, operating support for interim interventions with services to meet the specific needs of the eligible population.
- (b) Recipients shall ensure service providers offer evidence-based voluntary services in conjunction with housing to obtain and maintain health and housing stability while participants are on parole and after discharge from parole, for as long as the participant needs the services or until the grant period ends.
- (c) The services shall be offered to participants in their home, or be made as easily accessible to participants as possible, and shall include, but are not limited to, all of the following:
 - (1) Case management services.
 - (2) Parole discharge planning.
- (3) Linkage to other services, including education and employment services, as needed.
- (4) Benefit entitlement application and appeal assistance, as needed.
- (5) Transportation assistance to obtain services and health care, as needed.
 - (6) Assistance obtaining appropriate identification, as needed.
- (7) Linkage to Medi-Cal funded mental health treatment, substance use disorder treatment, and medical treatment, as medically necessary.
- (d) For participants identified prior to release from prison, upon the provider's receipt of referral and in collaboration with the parole agent and, if appropriate, staff, the intake coordinator or case manager of the provider shall, when possible:
 - (1) Receive all prerelease assessments and discharge plans.
- (2) Draft a plan for the participant's transition into affordable or supportive housing.
- (3) Engage the participant to actively participate in services upon release on a voluntary basis.
- 39 (4) Assist in obtaining identification for the participant, if 40 necessary.

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

- 50492.3. (a) Recipients and providers shall adhere to the core components of Housing First.
- (b) Providers shall identify and locate housing opportunities for participants prior to release from state prison or as quickly upon release from state prison as possible.
- (c) Housing identified pursuant to subdivision (b) shall satisfy all of the following:
- (1) The housing is located in an apartment building, townhouse, or single-family home, including rent-subsidized apartments leased in the open market or set aside within privately owned buildings, or affordable or supportive housing receiving a publicly funded subsidy.
- (2) The housing is not subject to community care licensing requirements or is exempt from licensing under Section 1504.5 of the Health and Safety Code.
- 50492.4. (a) The department shall distribute funds allocated by executing contracts with awarded entities that shall be for a term of five years, subject to renewal. After a contract has expired pursuant to this subdivision, any funds not expended for eligible activities shall revert to the department for use for the program.
- (b) A recipient shall submit to the department an annual report on a form issued by the department, pertaining to the recipient's program or project selection process, contract expenditures, and progress toward meeting state and local goals, as demonstrated by the performance measures set forth in the application. Recipients shall, along with any other data as required by the department, report all of the following:
 - (1) The number of participants served.
- (2) The types of services that were provided to program participants.
- (3) Whether the recipient met performance metrics identified in their application.
- (4) The outcomes for participants, including the number who remain permanently housed, the number who ceased to participate in the program and the reason why, the number who returned to state prison or were incarcerated in county jail, the number of arrests among participants, and the number of days in jail or prison among participants, to the extent data are available.

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(c) As part of the annual report required pursuant to subdivision (b), the recipient shall report to the department on the expenditures and activities of any subrecipients for each year of the term of the contract with the department until all funds awarded to a subrecipient have been expended.

- (d) The department shall design an evaluation and hire an independent evaluator to assess outcomes from the program, which shall include, but not be limited to, the following:
- (1) The total number of parolees served and the type of interventions provided.
- (2) The housing status of participants at 12, 24, and 36 months after entering the program, to the extent data are available, including how many participants remain in permanent housing.
- (3) Recidivism among participants, including the number of arrests, days incarcerated, and incarceration in jail or prison.
- (e) The department may monitor the expenditures and activities of the recipient, as the department deems necessary, to ensure compliance with program requirements.
- (f) The department may, as it deems appropriate or necessary, request the repayment of funds from an administrative entity or pursue any other remedies available to it by law for failure to comply with program requirements.
- (g) The department shall submit, on or before February 1, 2025, the analysis prepared pursuant to subdivision (d) to the chairs of the Joint Legislative Budget Committee, the Senate Committee on Budget and Fiscal Review, the Assembly Committee on Budget, the Senate and Assembly Committees on Public Safety, the Senate Committee on Housing, and the Assembly Committee on Housing and Community Development.

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp or meeting date I hereby submit the following item for introduction (select only one): 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment). ✓ 2. Request for next printed agenda Without Reference to Committee. 3. Request for hearing on a subject matter at Committee. 4. Request for letter beginning: "Supervisor inquiries" 5. City Attorney Request. from Committee. 6. Call File No. 7. Budget Analyst request (attached written motion). 8. Substitute Legislation File No. 9. Reactivate File No. 10. Topic submitted for Mayoral Appearance before the BOS on Please check the appropriate boxes. The proposed legislation should be forwarded to the following: Small Business Commission ☐ Youth Commission Ethics Commission **Building Inspection Commission** Planning Commission Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form. Sponsor(s): Walton, Mandelman, Ronen, Melgar, Stefani, Chan, Mar Subject: Supporting California State Assembly Bill No. 328 (Chiu) – Reentry Housing Program The text is listed: Resolution supporting California Assembly Bill No. 328, authored by Assembly Member David Chiu, and coauthored by Assembly Members Ash Kalra and Buffy Wicks, and co-authored by Senator Scott Wiener, to establish the Reentry Housing Program.

Signature of Sponsoring Supervisor: /s/ Shamann Walton

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