

Date of Hearing: March 26, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 1229 (Schultz) – As Introduced February 21, 2025

SUBJECT: Adult Reentry Grant Program

SUMMARY: Moves the Adult Reentry Grant (ARG) Program from the Board of State and Community Corrections (BSCC) to the Department of Housing and Community Development (HCD) to administer and makes specified changes to the program. Specifically, **this bill**:

- 1) Requires HCD, on or before December 1, 2026, to modify ARG to provide grants to up to six regional administrators responsible for funding permanent affordable housing and services for people who were formerly incarcerated in state prison and are experiencing homelessness or are at risk of homelessness.
- 2) Requires regional administrator applicants to demonstrate all of the following:
 - a) At least three years of experience administering a rental subsidy program, master leasing to tenants with a history of homelessness, or subcontracting to administer rental subsidies in permanent housing that follows evidence-based practices;
 - b) A relationship with a public housing authority to connect people to federal vouchers as they turn over;
 - c) Experience working with a homelessness continuum of care (CoC) and, if the regional administrator is different from the CoC in the region, a coordinated entry system administrator;
 - d) A relationship with at least one managed care plan or at least two community supports providers, or a direct contract with a managed care plan as a provider;
 - e) A viable plan to administer or contract with subrecipients to administer rental subsidies for permanent housing to connect participants to permanent housing as quickly as possible;
 - f) A viable plan to connect participants, as needed and eligible, to community supports, Justice-Involved Reentry Initiative in-reach services, and behavioral health treatment and services for so long as medically necessary; and
 - g) A viable plan to meet reporting requirements, as required by this bill.
- 3) Requires HCD to establish guidelines for administering the program, as specified.
- 4) Requires HCD to work collaboratively with the State Department of Health Care Services and the California Department of Corrections and Rehabilitation (CDCR) to establish a process for referrals of people eligible to participate in the program through the Justice-Involved Reentry Initiative, parole or probation agents, or other avenues of referrals.

- 5) Requires BSCC to continue to oversee and administer existing grants that have not yet expired, using resources allocated to the board, including funds allocated by Budget Act of 2025.
- 6) Establishes criteria for a person eligible to participate in ARG:
 - a) The individual voluntarily chooses to participate; and
 - b) A person has either:
 - i) Been assigned a date of release from prison within 30 to 180 days and is likely to become homeless upon release; or
 - ii) The person is currently experiencing homelessness as a person on parole or post release community supervision and has an experience of prison incarceration within the last five years.
- 7) Specifies eligible uses of funds, including but not limited to rental subsidies, operating subsidies, incentives to landlords, services assisting participants in transitioning from prison to the community, and evidence-based supported employment services.
- 8) Requires HCD to design an evaluation form and hire an independent evaluator to assess outcomes from the program on or before July 1, 2030, and submit the evaluation 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.
- 9) Requires CDCR to establish a process for engaging an individual scheduled for discharge, within at least 210 days of the scheduled release date, for the purpose of assessing the individual's risk of homelessness upon discharge. The process shall include the following questions:
 - a) Do you have a plan for where you will live when you get out?
 - b) If you have a plan, where do you plan to sleep after returning to your community?
 - c) Where were you living when you were arrested, prior to your conviction?
 - d) Have you ever slept in a place not meant to be a place to live long-term, such as a shelter, transitional housing, a bus or train station, on the streets, or a motel or hotel?
- 10) Prohibits CDCR from using any of the answers provided to lengthen an individual's term or to otherwise punish or discipline the individual.

EXISTING LAW: Created and continuously funded the ARG program at BSCC to provide competitive grant funds to community-based organizations to support people who were formerly incarcerated in prison avoid falling into homelessness through rental subsidies, rehabilitation of

existing housing, and the warm hand-off of people transitioning from prison to communities. [SB 840 (Committee on Budget), Chapter 29, Statutes of 2018]

FISCAL EFFECT: Unknown.

COMMENTS:

Author's Statement: According to the author, "People on parole in California are 17 times more likely to experience homelessness than Californians overall, and individuals who have been incarcerated and are experiencing homelessness are seven times more likely to be re-arrested than those who are housed. Successful programs across the country have demonstrated that people with incarceration histories can become stably housed and avoid reoffending when they have access to longer term rental subsidies and the services they need to build a solid foundation for their lives. These successes rely on implementation of evidence-based practices administered by housing agencies.

Building on learnings from those programs, AB 1229 restructures the Adult Reentry Grant Program to become a more targeted program that provides longer term rental subsidies to individuals who need assistance the most and promotes alignment with state healthcare and behavioral health programs that prioritize the justice-involved reentry population, like the CalAIM Justice-Involved Reentry Initiative, CalAIM Enhanced Care Management, CalAIM Community Supports, BH-CONNECT, and the Behavioral Health Services Act. Thus, AB 1229 will use existing ARG funds more effectively, while also leveraging other programs the state is already funding, to reduce people's risk of reoffending."

Homelessness: There are approximately 185,000 people experiencing homelessness on any given night in California. Many of the 40,000 Californians released from prison every year fall into homelessness. As of February 2025, 15% of people on parole were unhoused, nearly all unsheltered. People on parole are seven times more likely to recidivate when homeless than when housed. 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. Research shows that connecting incarcerated individuals to housing resources prior to release is critical to preventing homelessness upon reentry, yet the vast majority of people released from prison receive no assistance identifying or applying for housing. According to the UCSF Benioff Homelessness and Housing Initiative's comprehensive California Statewide Study of People Experiencing Homelessness of people experiencing homelessness in California, 83% of study participants who were incarcerated in state prison received no housing services upon discharge.

Adult Reentry Grant Program: In 2018, SB 840 (Committee on Budget), Chapter 29 funded the creation of a program at BSCC to provide competitive grant funds to community-based organizations to support people who were formerly incarcerated in prison through rental subsidies, rehabilitation of existing housing, and the warm hand-off of people transitioning from prison to communities. This funding became known as the ARG program and currently receives \$37 million in annual funding each year. The program provides only short-term rental assistance of six months to a year. Publicly available data on ARG shows just 27.1% of individuals who completed a program supported by the second round of ARG's warm handoff grants were placed in housing. In November of 2024, BSCC made \$108 million available to community organizations to be divided evenly between Warm Handoff/Reentry Services and Rental Assistance (Housing).

This bill would move ARG from BSCC to HCD and make changes to how the program is administered to better ensure participants maintain permanent housing.

HCD: HCD administers many of the state’s affordable housing and homelessness programs. In 2024, the Homeless Housing, Assistance, and Prevention Program (HHAP) and the Encampment Resolution Program (ERP) were moved from the Interagency Council on Homelessness (Cal-ICH) to HCD. HHAP requires applicants – cities with populations over 300,000 people, CoCs, and counties – report monthly on the use of funds and to develop a regional plan demonstrating how funds will be used in a coordinated manner to address homelessness. HCD also administered COVID rental assistance, the California Emergency Services Grant (ESG) program, and Housing for a Healthy California – all programs that provided rental assistance to individuals at risk of or experiencing homelessness.

The Governor has proposed to reorganize the Business, Consumer Services, and Housing Agency (BCSH) by pulling programs that fund housing and homelessness out of BCSH and move them into a new Housing and Homelessness Agency. According to a description in the Governor’s January budget: the new agency will “create a more integrated and effective administrative framework for addressing the state’s housing and homelessness challenges. This new agency will strengthen California’s ability to plan, produce, and preserve housing while enhancing the state’s homelessness response now and over the long term by aligning housing initiatives with complementary policy areas—such as transportation, health, climate, energy, and community planning. As a result, the agency will foster greater coordination and strategic alignment across state government.” This bill would align with the overall goal of moving homelessness programs under HCD.

Exits from Prisons/Jails to Homelessness: According to the UCSF Benioff Homelessness and Housing Initiative’s comprehensive California Statewide Study of People Experiencing Homelessness, of those participants who were interviewed, 19% entered homelessness from an institutional setting, such as prolonged jail and prison stays. A larger proportion of participants had institutional stays in the six months prior to homelessness than entered directly from those institutions, suggesting that some who became homeless had short housing stays between their institutional stay and homelessness. In the six months prior to homelessness, 20% of participants spent time in jail, 9% spent time on probation, 10% were released from prison, and 4% served parole. In survey data, participants who had been incarcerated reported receiving minimal support upon exiting prisons or jails. Few reported having received services prior to having exited. This bill would require CDCR to establish a process for engaging an individual scheduled for discharge, within at least 210 days of the scheduled release date, for the purpose of assessing the individual’s risk of homelessness upon discharge. The process must include basic questions about where an individual’s plan to live after they leave incarceration.

Arguments in Support: According to the sponsors of this bill, Housing California and Corporation for Supportive Housing, “AB 1229 would allow roughly 1,200 individuals – about one-third of Californians currently on parole experiencing homelessness – to exit to housing and health stability and reduce their risk of recidivating by utilizing existing ongoing funding. Restructuring ARG would enable the state to take a significant step in solving homelessness among people on parole without the need for a new program or new funding.

Arguments in Opposition: None on file.

Double-referred: This bill was also referred to the Assembly Committee on Public Safety where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:**Support**

Housing California (Co-Sponsor)
Corporation for Supportive Housing (Co-Sponsor)
ACLU California Action
Brilliant Corners
Californians United for a Responsible Budget
Center on Juvenile and Criminal Justice
Communities United for Restorative Youth Justice (CURYJ)
Courage California
Disability Rights California
Ella Baker Center for Human Rights
Felony Murder Elimination Project
Initiate Justice
Initiate Justice Action
Justice in Aging
Justice2jobs Coalition
LA Defensa
Legal Services for Prisoner with Children
National Alliance to End Homelessness
PATH Restoring Hope California
Restoring Hope California
Rubicon Programs
Smart Justice California, a Project of Tides Advocacy
Steinberg Institute
Third Sector Capital Partners
UnCommon Law
Viet Voices
Western Center on Law & Poverty

Opposition

None on file.

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