
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

AB 1816 (Bryan) - Reentry Housing and Workforce Development Program

Version: February 7, 2022

Urgency: No

Hearing Date: June 20, 2022

Policy Vote: HOUSING 9 - 0

Mandate: No

Consultant: Mark McKenzie

Bill Summary: AB 1816 would require the Department of Housing and Community Development (HCD) to create the Reentry Housing and Workforce Development (RHWD) Program, in coordination with the Department of Corrections and Rehabilitation (CDCR) and upon appropriation of funding for this express purpose, to provide grants for housing assistance and specified services for individuals who are scheduled for release from prison and for parolees and the formerly incarcerated who are experiencing homelessness, as specified.

Fiscal Impact:

- HCD estimates ongoing administrative costs of approximately \$3.27 million annually for 17 PY of new staff to establish and implement the RHWD Program, including establishing a referral process with CDCR, developing program guidelines, issuing a notice of funding availability (NOFA), scoring and ranking applications, preparing agreements with grant recipients, providing technical assistance, disbursing grant funds, and conducting ongoing monitoring activities. HCD also estimates one-time costs of approximately \$1 million for a consulting contract with an independent evaluator to assess program outcomes. (General Fund)
- CDCR indicates that workload and costs to collaborate on the establishment of a referral process for RHWD Program participants are unknown, but potentially significant. Depending on the number of program participants, costs for the design and implementation of the referral process, establishing protocols for preventing discharges from prison into homelessness, and making any necessary administrative and systems changes, could be in the low millions. (General Fund)
- CDCR also estimates ongoing costs of approximately \$476,000 for 4.0 PY of new staff for parole agents to establish and administer a process to coordinate with service providers and to manage the provision of prerelease assessment and discharge plans to those providers. CDCR also notes there could be additional systems costs if it is determined that the release of prerelease assessments and discharge plans requires information technology solutions. (General Fund)
- Unknown, major cost pressures, at least in the tens of millions annually, to provide grant funding for the RHWD Program. Staff notes that the HCD and CDCR administrative costs noted above would only be incurred to the extent that funds are appropriated for the RHWD Program. (General Fund)

Background: In 2012, the Legislature enacted SB 1021 (Budget and Fiscal Review Committee), which established the Supportive Housing Program for Mentally Ill

Parolees (ISMIP) to provide evidence-based, comprehensive mental health and supportive services, including housing subsidies, to parolees who suffer from mental illness and who are at risk of homelessness in order to successfully reintegrate them into the community, increase public safety, and reduce state costs of recidivism. These wraparound services are to be funded using money appropriated by the Legislature for that purpose.

Among other requirements, a participant must be either a homeless parolee or an inmate pending release who is likely to be homeless upon release and voluntarily participate. Participating service providers must offer services for parolees to maintain health and housing stability and to comply with parole conditions, and also augment services to other parolees. Providers must report to CDCR regarding the intended outcomes of programs, including the number of participants served and the outcomes for participants, and the department must prepare an analysis of the information and annually submit it to the Legislature, as specified. The ISMIP has not been funded in recent years.

In 2020-21 and 2021-22, CDCR's Division of Rehabilitative Programs received \$21.9 million in federal funds from the Coronavirus Aid, Relief, and Economic Security Act. CDCR leveraged their existing network of providers that provide specified services to parolees to establish the Returning Home Well (RHW) Program with the federal funding, in combination with other private philanthropic funding it received. The RHW Program has enabled CDCR to find housing for parolees who would otherwise be released without access to secure housing options, and provides immediate stabilization for parolees as they reenter their communities. By providing access to temporary transitional housing through the RHW Program (the total length of stay is generally limited to 90 to 180 days), CDCR is able to support parolees in establishing access to local services and resources, such as Medi-Cal, supportive housing, and other community continuities of care and local wrap-around services.

Proposed Law: AB 1816 would require HCD to establish the RHWD Program, upon appropriation by the Legislature for this express purpose, to provide grants for innovative or evidence-based housing, housing-based services, and employment interventions to allow people with recent histories of incarceration to exit homelessness and remain stably housed. Specifically, this bill would:

- Require HCD to do all of the following to create the RHWD Program:
 - Establish a process, in collaboration with CDCR and counties in which grant recipients are operating, for referral of voluntary participants.
 - Establish protocols, in collaboration with CDCR and specified organizations that work to provide housing for the homeless and reenter the formerly incarcerated into their communities, to prevent discharges from prison into homelessness.
 - Issue guidelines establishing the grant program and a NOFA or request for proposals for five-year renewable grants to applicants. The guidelines must include specified applicant criteria, necessary information applicants must submit, an allowance of 10%-20% of funds for organizations providing innovative reentry housing that meets specified criteria, and specified requirements for scoring criteria.

- Specify eligibility criteria for program participants, including that participation must be voluntary and one of the following applies:
 - The individual must have been assigned a release date from prison within 60 to 180 days and are likely to become homeless upon release.
 - The individual is a parolee or under post-release supervision that is currently experiencing homelessness.
 - The individual is currently experiencing homelessness and was incarcerated in state prison within the last five years.
- Specify activities eligible for funding, including long-term rental assistance in permanent housing, operating subsidies in new and existing affordable or supportive housing, landlord incentives including security deposits and holding fees, innovative or evidence-based services to assist participants in accessing permanent housing, and operating support, as specified.
- Require specified services to be offered to participants, either in their home or easily accessible, including: pre-release services; parole discharge planning; housing navigation; tenancy acquisition, transition, and supportive services; food security services, employment services, transportation assistance, assistance obtaining identification, benefit entitlement application assistance, and wrap-around services, as specified.
- Require the intake coordinator or case manager of a provider to do the following for participants identified before release from prison:
 - Receive all prerelease assessments and discharge plans.
 - Partner with providers working in the geographic area where a participant is incarcerated, when incarceration is outside the recipient's geographic area.
 - Draft a plan for the participant's transition into interim interventions, and affordable or supportive housing.
 - Engage the participant to voluntarily and actively participate in services upon release.
 - Assist in obtaining identification for a participant, if necessary.
 - Assist in applying for any benefits for which the participant is eligible.
- Require recipients and providers to adhere to the core components of Housing First.
- Require providers to identify and locate housing opportunities for participants before release from prison, or as quickly as possible upon release, and specify the requirements for that housing.
- Require grant participants to annually report specified data and information to HCD.
- Require HCD to design an evaluation and hire an independent evaluator to assess the outcomes of the program, as specified, and require HCD to submit the analysis prepared by the evaluator to the Legislature by February 1, 2026.

Related Legislation: AB 328 (Bryan), which was held on the Assembly Appropriations Committee's Suspense File last year, was substantially similar to this bill, but instead relied on savings related to prison closures as a funding source.

SB 282 (Beall), which was held on the Assembly Appropriations Committee's Suspense File in 2019, would have established the Supportive Housing Program for Persons on Parole within HCD, repealed ISMIP, and required, and required CDCR to transfer ISMIP program funding to HCD for purposes of funding the new program, as specified.

Staff Comments: The Governor's Proposed 2022-23 Budget includes a proposal to provide \$10.6 million in General Fund resources annually for a three-year limited term basis (\$31.8 million in total) to CDCR to continue the RHW Program. According to the corresponding Budget Change Proposal, CDCR anticipates these resources would provide post-release housing services for approximately 1,100 individuals who are at risk of being unhoused at the time of their release. Staff notes that SB 154 (Budget and Fiscal Review Committee), the Budget bill that was passed by the Legislature on June 13, 2022 and awaits action by the Governor, includes \$10.561 million to support the RHW Program. The budget bill language (under item 5225-008-0001) includes a requirement that CDCR provide a report to the Legislature with specified information and data on the program and the expenditure of funds. Staff notes that RHWD Program established by this bill and CDCR's RHW Program both target housing-insecure populations upon release from prison, but there are several key differences between the programs. Most significant among them is that the RHW Program is intended to provide temporary transitional housing, while the RHWD Program would provide longer term permanent supportive housing, and targets a larger pool of participants.

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