
THIRD READING

Bill No: AB 1229
Author: Schultz (D) and Quirk-Silva (D), et al.
Amended: 8/29/25 in Senate
Vote: 21

SENATE HOUSING COMMITTEE: 10-1, 7/1/25
AYES: Wahab, Arreguín, Cabaldon, Caballero, Cortese, Durazo, Gonzalez,
Grayson, Ochoa Bogh, Padilla
NOES: Seyarto

SENATE PUBLIC SAFETY COMMITTEE: 5-1, 7/15/25
AYES: Arreguín, Caballero, Gonzalez, Pérez, Wiener
NOES: Seyarto

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25
AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 62-10, 6/2/25 - See last page for vote

SUBJECT: Adult Reentry Grant Program

SOURCE: Author

DIGEST: This bill 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.

ANALYSIS:

Existing law:

- 1) Creates 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.

This bill:

- 1) Requires HCD, on or before December 1, 2026, to modify ARG to provide grants geographically diverse regional administrators responsible for funding permanent supportive housing and reentry services for eligible people.
- 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.

- h) A viable strategy to assess participants' ability to move on from the program, including through relationships with housing authorities.
- 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, California Department of Corrections and Rehabilitation (CDCR), and homeless continuums of care, and seek to work collaboratively with county probation departments, to establish a process for referrals of people eligible to participate in the program through the Justice-Involved Reentry Initiative, parole or probation agents under post release community supervision, or other avenues of referrals.
 - 5) Requires HCD establish benchmarks to promote and track ideal outcomes from the program.
 - 6) 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.
 - 7) 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.
 - 8) 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.

- 9) 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.
- 10) Requires CDCR to establish a process for engaging an individual scheduled for discharge, within 210 days of the scheduled release date, for the purpose of assessing the individual's risk of homelessness upon discharge as specified.
- 11) Prohibits CDCR from using any of the answers provided to lengthen an individual's term or to otherwise punish or discipline the individual.
- 12) Requires, for the first two years of the program, up to 5% of program funds may be used for administration of the program. For subsequent years of the program, up to 3% of program funds may be used for the administration of the program.

Comments

- 1) *Author's statement.* "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."

- 2) *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 those that entered homelessness 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, to assess 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.
- 3) *Adult Reentry Grant Program.* SB 840 (Committee on Budget, Chapter 29, Statutes of 2018) 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 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 2024, BSCC made \$108 million available to community organizations to be divided evenly between the Warm Handoff and the Reentry Services and Rental Assistance (Housing).
- 4) *HCD.* HCD administers many of the state's affordable housing and homelessness programs. In 2024, the Homeless Housing, Assistance, and Prevention Program (HHAPP) and the Encampment Resolution Program were moved from the Interagency Council on Homelessness (Cal-ICH) to HCD. HHAPP requires applicants – cities with populations over 300,000, CoCs, and counties – to 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 program, and Housing for a Healthy California – all programs that provided rental assistance to individuals at risk of or experiencing homelessness.

This bill would align with the overall goal coordinating existing housing and homelessness programs by moving this homelessness programs under HCD.

5) *Senate Appropriations Amendments.* Author's amendments taken in the Senate Appropriations:

- a) Revise the criteria for scoring regional administrator grant applicants to add a criteria indicating the extent to which the applicant has experience providing or coordinating housing, homeless services, or reentry services in the region or is based in the region, or the extent the applicant's partners have that experience.
- b) Revise the eligibility criteria for program participants by requiring the individual to have an assigned release date within 210 days, rather than within 30 to 180 days, as specified.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- HCD estimates ongoing costs of approximately \$1.2 million (General Fund) for 6.0 PY of permanent staff to facilitate the transfer of the program to HCD, develop and issue program guidelines, issue notices of funding availability for awarding funds to regional administrators, and for ongoing administration of the program. HCD notes that the transfer of the program may involve transfers of existing BSCC staff to HCD, but staff notes that the bill requires BSCC to continue to oversee and administer existing grants using resources allocated by the 2025 Budget Act. BSCC has begun to administer the Cohort 4 funding round from the \$37 million appropriated in the Budget Act, and expects to conclude administration of that round at the end of 2028.
- HCD also estimates one-time contract costs of approximately \$500,000 to hire an independent evaluator to assess the outcomes of the program. Staff notes that the bill requires HCD to hire the evaluator upon implementation of the program, but the assessment of program outcomes is to be based on annual reports submitted by regional administrators. HCD indicates that these contract costs would be incurred in the first year, but the independent evaluator workload would continue through the 2029-30 fiscal year. HCD must submit the assessment to the Legislature by July 1, 2030. (General Fund)

- The Department of Corrections and Rehabilitation (CDCR) anticipates a minimal fiscal impact as the requirements of the bill, including an assessment for individuals within 210 days of their scheduled release, aligns with the department's current practice. (General Fund)
- Unknown, likely minor costs for the Department of Health Care Services (DHCS) to work collaboratively with HCD to establish a process for referrals of people eligible to participate in the program. (General Fund)

SUPPORT: (8/29/25)

Abode Services

ACLU California Action

All of US or None (HQ)

Alliance of Californians for Community Empowerment

Brilliant Corners

California Housing Partnership

California Innocence Coalition

City and County of San Francisco

Communities United for Restorative Youth Justice

Corporation for Supportive Housing

County Behavioral Health Directors Association

Courage California

Destination: Home

Disability Rights California

Drug Policy Alliance

Eah Housing

East Bay Housing Organizations

Ella Baker Center for Human Rights

Fair Chance Project

Friends Committee on Legislation of California

Housing Action Coalition

Housing California

Housing Is a Human Right - Orange County

Initiate Justice

Initiate Justice Action

Justice in Aging

Justice2jobs Coalition

LA Defensa

Legal Services for Prisoners With Children

Los Angeles Homeless Services Authority

Multi-faith Action Coalition
 National Alliance to End Homelessness
 Non-profit Housing Association of Northern California
 Orange County Equality Coalition
 Path (People Assisting the Homeless)
 Rubicon Programs
 San Francisco Public Defender
 Smart Justice California, a Project of Tides Advocacy
 Steinberg Institute
 The Bride's Chamber
 The W. Haywood Burns Institute
 Third Sector Capital Partners
 Transitions Clinic Network
 Vera California
 Western Center on Law and Poverty

OPPOSITION: (8/29/25)

None received

ASSEMBLY FLOOR: 62-10, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías,
 Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon,
 Caloza, Carrillo, Connolly, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark
 González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee,
 Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel,
 Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez,
 Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins,
 Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Chen, Davies, DeMaio, Dixon, Ellis, Gallagher, Hoover, Macedo,
 Sanchez, Tangipa

NO VOTE RECORDED: Castillo, Flora, Jeff Gonzalez, Hadwick, Lackey,
 Patterson, Ta

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