

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 722 (Ávila Farías) – As Amended April 21, 2025

SUBJECT: Reentry Housing and Workforce Development Program

SUMMARY: Establishes the Reentry Housing and Workforce Development Program (the Program) at the Department of Housing and Community Development (HCD). Specifically, **this bill**:

- 1) Establishes the Reentry Housing and Workforce Development Program to provide five-year renewable grants to counties, community-based organizations, and continuums of care (CoCs) to fund evidence-based housing, housing-based services, and employment interventions to allow people with recent histories of incarceration to exit homelessness and remain stably housed.
- 2) Requires HCD, upon appropriation from the Legislature, to do all of the following by July 1, 2026:
 - a) Establish a referral process for eligible participants, in collaboration with the California Department of Corrections and Rehabilitation (CDCR) and local counties;
 - b) Work with CDCR, at least one reentry-focused community based organization (CBO), and one housing-focused organization to establish protocols to prevent discharges from prison into homelessness;
 - c) Issue guidelines, a Notice of Funding Availability, or request for proposals for five-year renewable grants; and
 - d) Establish scoring criteria for applicants that includes the following:
 - i) Need, which includes data on the number of individuals experiencing homelessness, people on parole, and people with recent histories of incarceration;
 - ii) Extent of coordination and collaboration between counties, CoCs, and homeless services providers;
 - iii) Experience providing housing navigation, tenancy services, and employment support;
 - iv) Documented partnerships with affordable and supportive housing providers;
 - v) Demonstrated commitment through existing or planned programs;
 - vi) Proposed use of funds and expected impact on homelessness and recidivism; and
 - vii) Extent to which counties that oversee housing authorities have eliminated or plan to eliminate restrictions against people with arrests or criminal convictions accessing publicly funded housing subsidies.

- 3) Requires that no less than 10% and no more than 20% of total program funds be allocated to CBOs that meet all of the following criteria:
 - a) Are led by individuals with lived experience of incarceration in executive leadership positions;
 - b) Employ at least 25% of staff who have lived experience of incarceration and are now stably housed;
 - c) Provide voluntary services and housing navigation to participants;
 - d) Offer access to livable wage employment opportunities and permanent housing options; and
 - e) Do not evict or terminate a participant's housing unless and until the participant has secured permanent housing of their choice.
- 4) Specifies the following eligible activities for Program funding:
 - a) Long-term rental assistance in permanent housing;
 - b) Interim interventions;
 - c) Operating subsidies in new and existing affordable or supportive housing units;
 - d) Incentives to landlords, including security deposits, holding fees, and incentives for landlords to accept rental assistance or operating subsidies;
 - e) Innovative or evidence-based services to assist participants in accessing permanent housing, including supportive housing, and to promote stability in housing;
 - f) Operating support for interim interventions with services to meet the specific needs of the eligible population;
 - g) 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;
 - h) In-reach services to assist eligible participants at least 90 days before release from prison, to include any of the other services in this subdivision:
 - i) Parole discharge planning;
 - j) Housing navigation and tenancy acquisition services;
 - k) Tenancy transition services;
 - l) Tenancy supportive services;
 - m) Food security services;

- n) For housed participants or participants once they are housed, innovative or evidence-based employment services that assist participants to obtain meaningful employment and a livable wage;
- o) Linkage to other services, including education and childcare services, as needed;
- p) Benefit entitlement application and appeal assistance, as needed;
- q) Transportation assistance to obtain services and health care, as needed;
- r) Assistance obtaining appropriate identification, as needed;
- s) Teaching people to navigate disabilities;
- t) As necessary, assistance in performance activities of daily living and other personal care services; and
- u) Wraparound services, including linkage to Medi-Cal funded mental health treatment, substance use disorder treatment, and medical treatment, as medically necessary.

5) Specifies the following services must be provided to participants in their home or made as easily accessible as possible:

- a) Case management services;
- b) Parole discharge planning;
- c) Linkage to other services including education and employment services;
- d) Benefit entitlement application and appeal assistance;
- e) Transportation assistance to obtain services and health care;
- f) Assistance obtaining appropriate identification; and
- g) Linkage to Medi-Cal funded mental health treatment, substance use disorder treatment, and medical treatment.

6) Provides that for participants identified prior to release from prison, an intake coordinator or case manager shall:

- a) Receive all pre-release assessment and discharge plans;
- b) Draft a plan for the participant's transition into affordable or supportive housing;
- c) Engage the participant to actively participate in services upon release on a voluntary basis;
- d) Assist in obtaining identification for the participant; and
- e) Assist in applying for any benefits for which the participant is eligible.

- 7) Requires recipients and providers to adhere to the core components of Housing First.
- 8) Requires grant recipients to report annually to HCD the following data:
 - a) Number of participants served;
 - b) The types of services that were provided to program participants;
 - c) Whether the recipient met performance metrics identified in their application; and
 - d) 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.
- 9) Requires HCD to design an evaluation and hire an independent evaluator to assess outcomes from the program and requires a final evaluation report to be submitted to the Legislature by February 1, 2029.

EXISTING LAW:

- 1) Proposition 57 moves up parole consideration of nonviolent offenders who have served the full-term of the sentence for their primary offense and who demonstrate that their release to the community would not pose an unreasonable risk of violence to the community.
- 2) Allows a judge discretion to strike a prior serious felony conviction, in furtherance of justice, to avoid the imposition of the five-year prison enhancement when the defendant has been convicted of a serious felony. (Penal Code Section 667)
- 3) Requires that state and local homelessness programs follow the core components of the Housing First model, which prioritizes low-barrier access to permanent housing and does not condition housing on participation in services. (Welfare and Institutions Code Section 8255)
- 4) Authorizes the Department of Housing and Community Development (HCD) to administer housing programs and issue grants to support housing services and infrastructure through various state and federal funding streams.
- 5) Defines individuals as homeless or at risk of homelessness under federal regulations, and allows for the prioritization of housing and services for people exiting institutions who are likely to become homeless upon release. (24 C.F.R. § 91.5)
- 6) Provides for coordinated entry systems to assess and prioritize access to housing and services for people experiencing homelessness, including those with criminal justice histories. (24 C.F.R. § 578.7)

FISCAL EFFECT: Unknown.**COMMENTS:**

Author's Statement: According to the author, "Recently incarcerated individuals often have little savings, familiar support, or stable housing upon reentering our communities following their sentence. Not to mention, face harsh barriers of entry and stigma when applying for employment and a place to call home. It is unfortunately no surprise that this vulnerable population is 27 times more likely to be unstably housed or homeless than the general public."

AB 722 provides an evidence based approach to address homelessness and recidivism rates by establishing the Reentry Housing and Workforce Development Program. This program provides grants for housing assistance and specified services for individuals who are scheduled for release from prison and for recently incarcerated individuals experiencing or at risk of homelessness. This program will not only address homelessness here in our state, but will improve public safety and save California tax payers money."

Background: Formerly incarcerated people are 27 times more likely to be unstably housed or homeless than the general public. In fact, one-third to one-half of all people on parole in San Francisco and Los Angeles are experiencing homelessness at any point in time. In addition, about half of people experiencing homelessness statewide report a history of incarceration. 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.

Cost Savings of Supportive Housing: CDCR spends close to \$100,000 each year to incarcerate someone in a California prison. A chronically homeless person living unsheltered costs taxpayers an average of \$35,578 per year. With 60% of incarcerated people likely to recidivate, and with an average sentence length of 4.5 years, the state can spend millions of dollars on a single person who lacks a stable environment to return to upon their release. Supportive housing, affordable housing coupled with services, costs an average of \$20,000 per year and reduces the risk of recidivism sevenfold.

Reentry Housing Program: This bill would create the Reentry Housing Program to provide five-year renewable grants to counties to fund evidence-based housing interventions and employment services to allow people with recent histories of incarceration to exit homelessness, remain stably housed, and become successfully employed. Counties could apply to HCD for funding and use funds for rental assistance, operating costs, and services to help people experiencing homelessness remain stably housed. Ninety days prior to their release, grantees will provide inmates with services including housing navigation and tenancy acquisition services. Grant recipients will be required to report on the outcomes for program participants including how many people stayed permanently housed and the incidence of recidivism. Like all housing programs serving people experiencing homelessness funded or operated by the state, the Reentry Housing Program would require counties to implement a Housing First model that provides housing without limit on stay and without pre-conditions.

Arguments in Support: According to supporters, AB 722 promotes permanent supportive housing as a proven and cost-effective strategy that pairs affordable housing with voluntary services—such as healthcare, substance use treatment, and employment support—to meet the complex needs of individuals experiencing homelessness. The average annual cost of providing these services is approximately \$20,000 per person. Supporters argue that AB 722 will not only

help reduce homelessness but also enhance public safety and generate long-term savings for California taxpayers.

Arguments in Opposition: None.

Related Legislation:

AB 1229 (Schultz) of the current legislative session would move the Adult Reentry Grant Program from the Board of State and Community Corrections to HCD to administer and makes specified changes to the program. This bill is pending a hearing in the Assembly Appropriations Committee.

AB 745 (Bryan) of 2023 sought to expand reentry housing and services for formerly incarcerated individuals. This bill died on the Inactive File in the Senate.

AB 1816 (Bryan) of 2021 was largely identical to this bill and sought to create the Reentry Housing and Workforce Development Program (Program) under HCD to help recently incarcerated people exit homelessness and remain stably housed. This bill died on the Inactive File in the Senate.

REGISTERED SUPPORT / OPPOSITION:

Support

California Housing Partnership
Housing California
A New PATH
A New Way of Life Reentry Project
Bend the Arc: Jewish Action California
Black Women for Wellness Action Project
Bridges of Hope CA
Budget 2 Save Lives
Californians United for a Responsible Budget
Communities United for Restorative Youth Justice (CURYJ)
Corporation for Supportive Housing
Ella Baker Center for Human Rights
Empowering Women Impacted by Incarceration
Fair Chance Project
Felony Murder Elimination Project
GRACE Institute – End Child Poverty in CA
Human Impact Partners
Initiate Justice
Initiate Justice Action
Interfaith Movement for Human Integrity
Justice2Jobs Coalition
La Defensa
Legal Services for Prisoners with Children
Prison Policy Initiative
Sister Warriors Freedom Coalition
The TransLatin@ Coalition

Individuals - 5

Opposition

None on file.

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