

Date of Hearing: May 14, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

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

Policy Committee: Housing and Community Development Vote: 9 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes the Reentry Housing and Workforce Development Program (the Program) within the Department of Housing and Community Development (HCD) to provide stable housing and workforce training for recently incarcerated individuals experiencing or at risk of homelessness.

Specifically, this bill:

- 1) Requires HCD, upon appropriation by the Legislature, to establish the Program to provide five-year renewable grants to counties, community-based organizations (CBOs), and continuums of care (CoCs) to fund innovative and 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, by July 1, 2026, to (a) establish a process, in collaboration with the Department of Corrections and Rehabilitation (CDCR) and relevant counties, for referral of participants, (b) establish protocols, in collaboration with CDCR and others, to prevent discharges from prison into homelessness, and (c) issue guidelines for applicants with specified criteria and a notice of funding availability or request for proposals for five-year renewable grants, among other requirements.
- 3) Specifies 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, among others.
- 4) Specifies the services that must be provided to participants identified prior to prison release and for participants upon release or who are living in the community.
- 5) Requires recipients and providers to adhere to the core components of Housing First.
- 6) Requires grant recipients to report specified data and information annually to HCD.
- 7) Requires HCD to design an evaluation and hire an independent evaluator to assess outcomes from the program and to submit the analysis to the Legislature by February 1, 2029.

FISCAL EFFECT:

- 1) General Fund cost pressures of an unknown amount, at least in the tens of millions annually, to provide grant funding for the Program. The HCD and CDCR administrative costs noted below would be incurred only to the extent that funds are appropriated for the Program.
- 2) HCD estimates General Fund (GF) costs of \$1.85 million for six staff positions in the first year, and \$1.98 million in the second year and annually thereafter for nine staff positions to develop the Program, monitor annual reporting, develop program guidelines, and approve and administer contracts, among other duties. In addition, HCD estimates a one-time consulting cost of \$500,000 (GF) for an independent evaluator to measure and evaluate program outcomes.
- 3) CDCR estimates:
 - a) Ongoing GF costs of an unknown amount, but likely in the low millions of dollars, to collaborate with HCD and others to establish a referral process for participants, design and implement protocols to prevent the discharge from prison into homelessness, and make necessary administrative and systems changes. Actual costs will depend on the design of the referral system, the number of program participants and the number of CDCR staff with technical expertise related to parole necessary to implement the bill's provisions.
 - b) Ongoing GF costs in the mid-hundreds of thousands of dollars annually for additional staff to implement and support the referral process for participants identified prior to release from prison who must receive a referral from a homeless service provider and the participant's parole agent. CDCR notes this process is unclear and actual costs will depend on how collaboration with service providers impacts CDCR parole agents.

COMMENTS:

- 1) **Purpose.** According to the author:

[This bill] 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.

- 2) **Background.** Recent studies indicate formerly incarcerated people are 27 times more likely to be unstably housed or homeless than the general public. Data shows 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 the people experiencing homelessness statewide report a history of incarceration. People on parole are seven times more likely to recidivate when homeless than when housed.

Recent data indicates CDCR spends nearly \$100,000 per inmate per year to incarcerate an individual in a California prison. A chronically homeless person living unsheltered costs taxpayers an average of \$36,000 per year. Supportive housing, affordable housing coupled

with services, costs an average of \$20,000 per person per year and reduces the risk of recidivism sevenfold.

Advocates assert this bill will not only help address homelessness, but will also save the state money by supporting the less-costly endeavor of providing permanent supportive housing for released inmates at risk of homelessness.

- 3) **Related Legislation.** AB 1229 (Schultz), of this legislative session, moves the administration of the Adult Reentry Grant Program from the Board of State and Community Corrections to HCD and makes specified changes to the program. AB 1229 is pending in this committee.
- 4) **Prior Legislation.** AB 745 (Bryan), of the 2023-24 Legislative Session, and AB 1816 (Bryan), of the 2021-22 Legislative Session, were both substantially similar to this bill. AB 745 was held on this committee's suspense file, and AB 1816 died on the Inactive File in the Senate.

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