Date of Hearing: June 30, 2026

ASSEMBLY COMMITTEE ON HUMAN SERVICES
Alex Lee, Chair
SB 1322 (Richardson) – As Amended June 11, 2026

SENATE VOTE: 33-0

SUBJECT: Community Care Expansion Program

SUMMARY: Specifies exemptions and requirements for tribal applicants under the Community Care Expansion (CCE) Program which is administered by the California Department of Social Services (CDSS). Requires contracts between CDSS and a tribe to be aligned with the federal Department of Housing and Urban Development (HUD) tribal housing grant agreements. Specifically, **this bill**:

1) Expands CDSS' authority to enter into an agreement with one or more entities to facilitate the grant application and implementation, in addition to the grant awards it already facilitates under the CCE Program.

2) Narrows the third-party administrator role in the CCE Program to technical assistance and reporting only.

3) Requires CDSS, instead of the contracting entity, to be responsible for all of the following:

   a) Supporting the development of the notice of funding availability;

   b) Developing an online application portal;

   c) Executing contracts; and,

   d) Processing invoices and making grant payments.

4) Requires CDSS to administer the contract and award process directly with the tribal applicant if the grant is awarded to a tribe.

5) Provides that a tribe is exempt from providing real property if federal restrictions limit tribal property ownership.

6) Requires CDSS to include its existing tribal liaison in discussions throughout the grant process to ensure tribal sovereignty is honored if the applicant is a tribe.

EXISTING LAW:

1) Establishes the CCE Program under which qualified grantees administer projects for the acquisition, construction, or rehabilitation of property to be operated as residential adult and senior care facilities, or to promote the sustainability of existing licensed residential adult and senior care facilities through the provision of capitalized operating subsidy reserves. (Welfare and Insitutions Code [WIC] § 18999.97(a))

2) Authorizes CDSS to enter into an agreement with one or more entities to facilitate the grant awards and requires a contracting entity to act as a third-party adminisstrator to provide operational services under the contract with CDSS. Requires funds appropriated for the purposes of the CCE Program to be awarded, at the discretion of CDSS, to qualified grantees that include, but are not limited to, counties, tribes, or jointly applying counties and tribes. Permits the services to include, but not be limited to, all of the following:

   a) Supporting the development of the notice of funding availability;

   b) Developing an online application portal;

   c) Executing contracts;

   d) Processing invoices and making grant payments;

   e) Providing technical assistance via webinars, learning collaboratives, application assistance, and other methods; and,

   f) Reporting. (WIC § 18999.97(b))

3) Authorizes qualified grantees to use a portion of grant funds to establish capitalized operating subsidy reserves, and permits CDSS, at its discretion, to award grants in a manner that takes into consideration the prioritization of qualified residents who are experiencing homelessness or who are at risk of homelessness. (WIC § 18999.97(c)(1))

4) Requires CDSS, subject to an appropriation, to award grants to provide capitalized operating subsidy reserves to existing licensed residential adult and senior care facilities that serve at least one qualified resident, in order to avoid the closure of facilities and to increase the acceptance of new qualified residents. Requires CDSS to award these grants in a manner that prioritizes preserving the placement of qualified residents currently residing in a facility at risk of closure and facilities with the highest percentage of qualified residents. Requires facilities, as a condition of accepting funds, to prioritize applications from prospective qualified residents, including those currently or formerly homeless or at risk of homelessness. (WIC § 18999.97(c)(2))

5) Requires CDSS to develop criteria for the program, including the methodology and distribution of funds, the proportion of funds that may be expended on capitalized operating subsidy reserves, allowable uses of funds, and tracking and reporting procedures. Requires CDSS, in developing the distribution methodology, to consider the distribution of adult and senior care facilities across the state, each county's share of the latest homeless point-in-time count, and the relative cost of construction, acquisition, and rehabilitation between counties. Requires CDSS to set aside 8% of funds for a competitive program for small counties with a population of less than 200,000, and to redistribute any unexpended funds. (WIC § 18999.97(e))

6) Defines "qualified resident" to mean applicants or recipients of the Supplemental Security Income/State Supplementary Program (SSI/SSP) and applicants or recipients of the Cash Assistance Program for Immigrants (CAPI) who need the care and supervision provided by the licensed facility that receives the grant and excludes SSI/SSP or CAPI applicants or recipients who are receiving services through a regional center. (WIC § 18999.97(f))

7) Defines "capitalized operating subsidy reserve" to mean an interest-bearing account maintained by the qualified grantee, the facility, or a third-party entity, created to cover potential or projected operating deficits on a facility that provides licensed residential care for at least the term of the reserve, as demonstrated by a deed restriction or, at the discretion of CDSS, a legally enforceable agreement. (WIC § 18999.97(g))

8) Requires funds awarded under the program to be used to supplement, and not supplant, other funding available from existing local, state, or federal programs or grants with similar purposes. (WIC § 18999.97(h))

9) Requires CDSS, utilizing the funds appropriated for the program, to enter into a contract with an independent evaluation and research agency to evaluate the impacts of the program, collect data, and provide technical assistance. (WIC § 18999.97(i))

10) Establishes CAPI to provide cash assistance to aged, blind, and disabled noncitizens who are ineligible for SSI/SSP solely due to their immigration status. (WIC § 18937 *et seq*.)

Federal law:

11) Establishes the SSI program, a national program providing income support to individuals who are 65 years of age or older, blind, or disabled, administered by the Social Security Administration. (42 United States Code [U.S.C]. § 1381 *et seq*.)

12) Establishes, through the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA), the Indian Housing Block Grant program, under which federal housing funds flow directly from HUD to federally recognized tribes and tribally designated housing entities, which administer their own housing programs pursuant to tribally prepared Indian Housing Plans, reflecting tribal sovereignty and self-determination. (25 U.S.C. § 4101 et seq.; 24 Code of Federal Regulations [C.F.R.] Part 1000)

FISCAL EFFECT: Unknown, the bill in print has not been analyzed by a fiscal committee.

COMMENTS:

Background: The *Community Care Expansion Program* was established through the Budget Act, AB 172 (Committee on Budget), Chapter 696, Statutes of 2021, as a one-time, primarily non-federal investment to expand and preserve California's adult and senior residential care continuum to require qualified grantees to administer projects for the acquisition, construction, or rehabilitation of property to be operated as residential adult and senior care facilities, or to promote the sustainability of existing licensed residential adult and senior care facilities through the provision of capitalized operating subsidy reserves. The CCE Program was subsequently amended by AB 161 (Committee on Budget), Chapter 46, Statutes of 2024, as a part of the human services budget trailer bill to make a technical amendment to revise the definition of "capitalized operating subsidy reserve" so that the required term of licensed residential care may be demonstrated either by a deed restriction or, at CDSS' discretion, by a legal enforceable agreement rather than solely through a deed restriction. No additional funds were appropriated.

The CCE Program is administered by CDSS and was funded at a total of $805 million for the acquisition, construction, and rehabilitation of adult and senior care facilities that serve applicants and recipients of SSI/SSP and CAPI, including those experiencing or at risk of homelessness. The CCE Program was designed as a companion effort to the Department of Health Care Services' (DHCS) Behavioral Health Continuum Infrastructure Program (BHCIP) to address gaps in the long-term care continuum.

The CCE Program operates through two tracks. The preservation track provides operating subsidy payments and capital project funds, allocated to counties, to keep existing licensed facilities from closing. Closures of these facilities would risk pushing low-income residents into homelessness because these facilities accept the SSI Non-Medical Board and Care rate, which is well below market rate. The capital expansion track provides infrastructure grants for acquisition, construction, and rehabilitation of residential care settings, and permits grantees to set aside a portion of funds as a capitalized operating subsidy reserve for up to five years.[1]

By the program's own accounting, all CCE grant funds have now been awarded. CDSS reports that more than $570 million has been invested across 61 capital expansion projects, producing over 3,000 new beds/units of housing with care and supportive services; CDSS has also awarded $247 million to 34 participating counties through the CCE Preservation program to conserve existing adult and senior care facilities.[2]

Completed and in-progress projects include a 97-unit transit-oriented development in Oakland's Chinatown supported by a $10.9 million CCE investment[3] to the rehabilitation of previously closed adult residential facilities in Los Angeles County and new construction in Kern County. CDSS frames these investments as advancing Goal One of California's Master Plan for Aging, which targets new housing options for older adults and people with disabilities by 2030.[4]

Tribal Participation in the CCE Program. Tribes are eligible grantees under CCE, and the program has funded tribal projects directly. CDSS has reported that the CCE Program is supporting tribal communities by funding projects that allow elders to receive housing and care in a familiar location, surrounded by family, while incorporating each tribe's cultural values, citing, for example, an award of $8,309,610 to the Pala Band of Mission Indians for a 32-bed residential care facility for the elderly providing 24-hour care and supervision.[5] Tribal participation has been a feature of the broader combined efforts of CDSS/DHCS from the outset. According to DHCS, in the companion BHCIP planning round, 9 of 36 early planning-grant awardees were tribes. [6]

Tribes Report Issues with Access. While the CCE Program provides significant assistance with housing and homelessness, the Author and sponsor assert that the tribal grant agreement is

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[1] https://ccegrant.com/
[2] https://ccegrant.com/cdss-construction-begins-on-two-senior-care-residences-with-help-of-state-investments/
[3] https://ccegrant.com/the-new-97-unit-development-received-funding-through-the-community-care-expansion-program-to-provide-housing-for-older-adults-and-individuals-experiencing-homelessness/
[4] https://www.escalontimes.com/news/community-care-expansion-grants-support-61-projects/
[5] https://ccegrant.com/cdss-nearly-570-million-invested-to-expand-housing-with-care-for-older-adults-adults-with-disabilities-facing-homelessness/
[6] https://www.dhcs.ca.gov/newsroom-office-of-communications/program-updates-february2022scu-program-updates/

lengthy and cumbersome. They state that compared to a similar federal grant contract, which is approximately four pages long, the CCE agreement can reach 128 pages in length. Further, the CCE Program poses ongoing challenges for tribes relating to the infrequent involvement of a tribal liaison, including navigating complex state funding requirements and reconciling state regulations with tribal sovereignty.

Additionally, the CCE Program requires tribal grantees to provide matching funds or real property when awarded funds. This condition creates a significant barrier for tribes as federal restrictions often limit tribal property ownership leading to severe shortages of developable land and infrastructure. While California has made significant steps to increase housing resources for tribal communities in recent years, the Author and sponsor state that many tribes report ongoing difficulties when applying for grant funds under the CCE Program and has presented challenges to tribal communities such as navigating complex grant agreements/contracts and honoring tribal sovereignty throughout the grant process.

Alignment with Federal Housing and Urban Development Agreements. Federal tribal housing assistance runs primarily through NAHASDA, under which the Indian Housing Block Grant flows directly to tribes and tribally designated housing entities and is governed by tribally prepared Indian Housing Plans and HUD's implementing framework at 24 CFR Part 1000.[7] Currently, a tribe pursuing CCE funds and a tribe administering federal housing funds operate under two separate sets of state and federal contracting terms. *This bill* requires that contracts between CDSS and a tribe align with the federal HUD tribal housing grant agreements to reduce duplicative or conflicting obligations by conforming the state's contracting approach to the federal one tribes already use.

This Bill in Practice. The provisions of *this bill* seek to move the core grant administration to CDSS instead of a third-party administrator. Currently, an outside third-party administrator builds the application portal, executes contracts, and processes payments. Under *this bill*, CDSS would perform those functions and the administrator would be left with technical assistance and reporting. Consolidating these functions could create efficiencies for tribal grantees, who would contract with CDSS directly rather than through an intermediary.

The bill would exempt a tribe from the matching real-property requirement where federal restrictions limit tribal land ownership, seeking to remove a barrier that could disqualify or delay an otherwise-eligible tribal applicant. The Author and sponsor assert that aligning department-tribe contracts with federal HUD tribal housing grant agreements, and formalizing the tribal liaison's role, reduces duplicative processes for tribes already navigating federal housing programs. Because these funds are already fully awarded, absent a new appropriation, *this bill's* administrative and tribal-access changes would apply to future rounds.

Author's Statement: According to the Author, "California has demonstrated a strong commitment to supporting Native American tribes through the establishment of the Community Care Expansion Program within the Department of Social Services' (CDSS. However, CDSS' grant process remains intricate and cumbersome for applicants. Tribes continue to face ongoing challenges in the lengthy grant process, including navigating complex state funding requirements and reconciling state regulations with tribal sovereignty. [This bill] would require CDSS to

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[7] https://www.hud.gov/helping-americans/public-indian-housing-nahasda

streamline and improve its grant process, while strengthening the tribal liaison role as a designated point of contact for effective government-to-government communication. By increasing access to funding and ensuring applicants are better supported throughout the process, this bill would help tribal grantees apply for crucial funds with ease without compromising their sovereignty."

Equity Implications: Native Americans in California are two times more likely to experience poverty and homelessness than the rest of the state's population. The provisions of *this bill* seek to ensure that future CCE grant processes will be streamlined and will ensure the involvement of CDSS' existing tribal liaison throughout the entire grant process. *This bill* could meaningfully ease the grant experience for tribal applicants and clarify CDSS' administrative role, while leaving the process for non-tribal grantees substantially unchanged.

Arguments in Support: The Pala Band of Mission Indians, sponsor of this bill, states this bill is "a natural next step that builds on the prior work at the state level and continues to expand the collaboration among governments. The alignment of the state's tribal housing grant programs with proven federal tribal housing practices will benefit the administration and performance of the state's programs and the tribal communities they are intended to serve."

Arguments in Opposition: None on file.

RELATED AND PRIOR LEGISLATION:

AB 172, (Committee on Budget), Chapter 696, Statutes of 2021, *see comments above.*

AB 1878 (Garcia), Chapter 660, Statutes of 2024, created the Tribal Housing Grant Program Fund Advisory Committee within the Department of Housing and Community Development (HCD), upon appropriation; makes changes to tribal liaison and technical assistance requirements that apply to HCD; and limits HCD's ability to require tribes to waive sovereign immunity to access funding, as specified.

AB 1010 (Garcia), Chapter 660, Statutes of 2019, made the governing body of Indian reservations and Rancherias eligible to receive funding from various state affordable housing programs.

REGISTERED SUPPORT / OPPOSITION:

Support

Pala Band of Mission Indians (Sponsor)
Habematolel Pomo of Upper Lake
Yurok Tribe

Opposition

None on file.

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