

SENATE THIRD READING
SB 1322 (Richardson)
As Amended August 13, 2026
Majority vote

SUMMARY

Revises the Community Care Expansion (CCE) Program to require the California Department of Social Services (CDSS) to develop the grant application for tribes in the event additional funding is available. Requires agreements between CDSS and a tribe to be aligned with the federal Department of Housing and Urban Development (HUD) tribal housing grant agreements.

Major Provisions

- 1) Requires CDSS to develop the grant application for tribes in consultation with tribes in the event that the CCE Program obtains additional funding available to tribes, and requires any additional funds appropriated for the CCE Program to be available to CDSS to implement this Program.
- 2) Specifies that a tribe is exempt from providing real property if federal restrictions limit tribal property ownership.
- 3) Requires CDSS to include its existing tribal liaison or their designee in discussions throughout the grant process to ensure tribal sovereignty is honored, if the applicant is a tribe.
- 4) Requires, for purposes of implementing these provisions, if additional funds are appropriated for the CCE Program and available to the tribes, agreements between the CDSS and a tribe to be aligned with HUD tribal housing grant agreements, to the extent practicable and consistent with the CCE Program.

COMMENTS

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 Supplemental Security Income/State Supplemental Payment (SSI/SSP) and the Cash Assistance Program for Immigrants (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

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.² 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, nine of 36 early planning-grant awardees were tribes.³

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 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. *This bill* requires CDSS to develop the grant application for tribes in consultation with tribes.

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. *This bill* exempts a tribe from providing real property if federal restrictions limit tribal property ownership.

Alignment with Federal Housing and Urban Development Agreements. Federal tribal housing assistance runs primarily through the Native American Housing Assistance and Self-Determination Act, under which the Indian Housing Block Grant flows directly to tribes and

¹ <https://ccegrant.com/>

² <https://ccegrant.com/cdss-nearly-570-million-invested-to-expand-housing-with-care-for-older-adults-adults-with-disabilities-facing-homelessness/>

³ <https://www.dhcs.ca.gov/newsroom-office-of-communications/program-updates-february2022scu-program-updates/>

tribally designated housing entities and is governed by tribally prepared Indian Housing Plans and HUD's implementing framework at 24 CFR Part 1000.⁴ 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 agreements 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 approach to the federal one tribes already use, to the extent practicable and consistent with the CCE Program.

According to the Author

"Native Americans face substantially higher rates of housing insecurity in California. Over the last decade, California has demonstrated a strong commitment to addressing homelessness in Native American tribes through the establishment of the Community Care Expansion (CCE) Program within the Department of Social Services' (CDSS). However, the CCE Program grant process remains intricate and cumbersome for many tribal applicants. Tribes continue to face challenges when applying for CCE Program funds, including navigating complex state funding requirements and reconciling state regulations with tribal sovereignty. Additionally, upon awarding a CCE grant, tribes are often asked to provide real property as matching funds. However, due to federal restrictions limiting tribal ownership and usage of land, this requirement creates a significant barrier to developing safe housing in tribal communities. [This bill] would require CDSS to streamline its grant process and allow tribes to receive exemptions from providing real property when federal restrictions prevent tribal ownership, while strengthening the tribal liaison role for effective government-to-government communication. By removing ongoing challenges and ensuring applicants are better supported throughout the CCE grant process, this bill will increase access to crucial housing support with ease and without compromising tribal sovereignty."

Arguments in Support

Pala Band of Mission Indians, sponsor, writes, "While the August 13 amendments were not developed through tribal consultation, Pala supports them as a workable step forward that preserves the bill's core objectives and provides a foundation for continued improvement. Earlier tribal engagement and greater reliance on proven federal practices can reduce administrative delays, unnecessary legal review, and associated costs while improving program performance."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Appropriations Committee on August 13, 2026, CDSS estimates ongoing General Fund costs of approximately \$4.7 million in the first year and \$4.6 million annually thereafter for 20 additional positions, including analysts, supervisors and attorneys, to develop a grant application for tribes in consultation with other tribes, to align tribal contracts with HUD agreements, and to execute tribal contracts over multiple years.

All prior funding for the CCE program has been allocated and the Budget Act of 2026 does not provide additional funding for the program.

⁴ <https://www.hud.gov/helping-americans/public-indian-housing-nahasda>

VOTES**SENATE FLOOR: 33-0-7**

YES: Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Ochoa Bogh, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Allen, Alvarado-Gil, Becker, Hurtado, Niello, Padilla, Stern

ASM HUMAN SERVICES: 7-0-0

YES: Lee, Tangipa, Calderon, Elhawary, Jackson, Celeste Rodriguez, Sanchez

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

ABS, ABST OR NV: Hoover, Dixon, Ta, Tangipa

UPDATED

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