

AMENDED IN ASSEMBLY APRIL 20, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1056**

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**Introduced by Assembly Member Atkins**

February 26, 2015

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An act to add ~~Chapter 4 (commencing with Section 34650) to Part 2 of Division 24 of the Health and Safety Code, Article 5 (commencing with Section 6046) to Chapter 5 of Title 7 of Part 3 of the Penal Code,~~ relating to ~~housing assistance, recidivism reduction, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1056, as amended, Atkins. ~~Housing assistance; formerly incarcerated tenants. *Second Chance Program.*~~

~~(1) Existing federal law, the American Recovery and Reinvestment Act of 2009, allocated, until September 30, 2011, \$1.5 billion to the federal Department of Housing and Urban Development for the Homelessness Prevention Fund, to be used for homelessness prevention and rapid rehousing. Existing law, the California Work Opportunity and Responsibility to Kids Act, provides housing supports to individuals if the administering county determines that the individual or his or her family is experiencing homelessness or housing instability that would be a barrier to self-sufficiency or child well-being, and declares that it is the intent of the Legislature that housing supports utilize evidence-based models, including those established in the federal Department of Housing and Urban Development's Homeless Prevention and Rapid Re-Housing Program. The Housing Authorities Law establishes, in each county and city, a public body corporate and politic known as the housing authority of the county or city.~~

~~This bill would authorize a housing authority, defined to include an entity created pursuant to the Housing Authorities Law or a housing-related entity created by a county, to develop a housing supports program, as defined. The bill would require a housing supports program to provide rental assistance for a specified period to persons who are formerly incarcerated, provide rapid rehousing services, and conduct an individual needs assessment for each prospective tenant to determine the level of services provided and length of assistance. The bill would authorize the housing authority to finance the program through grants provided by the Board of State and Community Corrections or the California Housing Finance agency, existing funding sources except as specified, establishment of a regional center under specified provisions, and a grant repayment component of the housing supports program.~~

~~The bill would require the Board of State and Community Corrections to develop a request for proposal process for awarding grants to housing authorities that establish a housing supports program. The bill would require the California Housing Finance Agency to develop a similar request for proposal process for awarding grants to housing authorities located in small or rural counties, as defined. The bill would require the request for proposal process for both agencies to give preference to housing authorities that demonstrate the ability to attract matching funds or leverage existing funds and to give consideration to the geographic diversity of applicant housing authorities.~~

~~(1) Existing law establishes the Board of State and Community Corrections as an entity independent of the Department of Corrections and Rehabilitation, and authorizes the board to carry out various powers and duties relating to providing advice and leadership on criminal justice issues.~~

~~This bill would require the board to establish and implement a program that focuses on community-based solutions for reducing recidivism. The bill would establish minimum criteria for the program and would require the board to establish an Executive Steering Committee, composed of 11 members, as specified, to develop guidelines for the administration of the program. The bill would define recidivism, for the purposes of these provisions, as a conviction of a new felony or misdemeanor committed within three years of release from custody or committed within three years of placement on supervision for a previous criminal conviction.~~

~~(2) The Safe Neighborhoods and Schools Act establishes within the State Treasury the Safe Neighborhoods and Schools Fund to receive~~

moneys transferred from the General Fund in an amount equal to the savings resulting from the implementation of the act, as specified. The act requires that 65% of the moneys in the Safe Neighborhoods and Schools Fund be allocated the Board of State and Community Corrections to administer a grant program to public agencies aimed at supporting specified types of programs, including diversion programs, for people in the criminal justice system with an emphasis on programs that reduce recidivism, as specified.

This bill would create the Second Chance Fund in the State ~~Treasury~~. *Treasury for the purpose of funding the above-described recidivism reduction program.* The bill would require the Board of State and Community Corrections to deposit ~~an amount equal to 33%~~ of the above-described moneys it receives from the Safe Neighborhoods and Schools ~~Fund~~. *Fund into the Second Chance Fund.* The bill would also authorize the Second Chance Fund to receive moneys from any other federal, state, or local grant, or from any private donation. The bill would ~~require that 90% of the moneys in the Second Chance Fund be allocated to the board and 10% to the California Housing Finance Agency to administer grants for housing supports programs, as specified.~~ *prohibit the board from using the moneys in the fund to supplant existing programs and from spending more than 5% per year of the total moneys in the fund for administrative purposes.*

The bill would require the board to administer these provisions, and moneys in the fund would be continuously appropriated to the board for expenditure for these purposes. By creating a continuously appropriated fund, this bill would make an appropriation.

(3) The Safe Neighborhoods and Schools Act provides that its provisions may be amended by a statute, passed by a  $\frac{2}{3}$  vote of each house of the Legislature and signed by the Governor, that is consistent with and furthers the intent of the act.

This bill would declare that its provisions further the intent of the Safe Neighborhoods and Schools Act.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. ~~Chapter 4 (commencing with Section 34650) is~~
- 2 ~~added to Part 2 of Division 24 of the Health and Safety Code, to~~
- 3 ~~read:~~

~~CHAPTER 4. SECOND CHANCE PROGRAM~~

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2  
3 34650. ~~For the purposes of this chapter, the following~~  
4 ~~definitions shall apply:~~  
5 (a) ~~“Housing authority” means a public corporation established~~  
6 ~~pursuant to Chapter 1 (commencing with Section 34200) or a~~  
7 ~~housing-related entity established by a county.~~  
8 (b) ~~“Rural or small county” means a county with a population~~  
9 ~~of not more than 750,000.~~  
10 (c) ~~“Housing supports program” means a program for providing~~  
11 ~~housing-related assistance to individuals that utilizes~~  
12 ~~evidence-based models, including those established in the federal~~  
13 ~~Department of Housing and Urban Development’s Homeless~~  
14 ~~Prevention and Rapid Re-Housing Program. A housing supports~~  
15 ~~program may include, but shall not be limited to, both of the~~  
16 ~~following:~~  
17 (1) ~~Financial assistance, including rental assistance, security~~  
18 ~~deposits, utility payments, moving cost assistance, and motel and~~  
19 ~~hotel vouchers.~~  
20 (2) ~~Housing stabilization and relocation, including outreach and~~  
21 ~~engagement, landlord recruitment, case management, housing~~  
22 ~~search and placement, legal services, and credit repair.~~  
23 34651. (a) (1) ~~A housing authority may develop a housing~~  
24 ~~supports program. A housing authority implementing a housing~~  
25 ~~supports program established pursuant to this section shall, at~~  
26 ~~minimum, do all of the following:~~  
27 (A) ~~Provide rental assistance, for a period of not less than three~~  
28 ~~months and not more than 24 months, to persons who are formerly~~  
29 ~~incarcerated.~~  
30 (B) ~~Provide rapid rehousing services, including housing location~~  
31 ~~services.~~  
32 (C) ~~Conduct an individual needs assessment for each prospective~~  
33 ~~tenant to determine the level of services provided and the length~~  
34 ~~of assistance.~~  
35 (2) ~~A housing authority may include a grant-repayment~~  
36 ~~component in its housing supports program requiring a tenant to~~  
37 ~~repay a portion of the aid received over time.~~  
38 (b) ~~A housing authority may finance a housing supports program~~  
39 ~~by any of the following means:~~

1 ~~(1) Grants from the Board of State and Community Corrections,~~  
2 ~~as specified in Section 34652, or the California Housing Finance~~  
3 ~~Agency, as specified in Section 34653.~~

4 ~~(2) Existing funding sources, except that the housing authority~~  
5 ~~shall not utilize moneys received pursuant to the federal Housing~~  
6 ~~Choice Voucher Program set forth in Section 8 of the United States~~  
7 ~~Housing Act of 1937 (42 U.S.C. Sec. 1437f) unless the tenant~~  
8 ~~receiving housing supports would otherwise qualify for assistance~~  
9 ~~under that program.~~

10 ~~(3) Establishing, operating, and maintaining a regional center~~  
11 ~~pursuant to the United States Citizenship and Immigration Services'~~  
12 ~~EB-5 Investment Program, contained in Section 203(b)(5) of the~~  
13 ~~Immigration and Nationality Act (8 U.S.C. Sec. 1153(b)(5)) and~~  
14 ~~Section 204.6 of Title 8 of the Code of Federal Regulations, in~~  
15 ~~accordance with the requirements of the California Foreign~~  
16 ~~Investment Program (Chapter 4.2 (commencing with Section 6315)~~  
17 ~~of Division 7 of Title 1 of the Government Code). If the housing~~  
18 ~~authority establishes a regional center pursuant to this paragraph,~~  
19 ~~it shall utilize not less than 50 percent of the moneys received~~  
20 ~~pursuant to the EB-5 Investment Program for the purposes of~~  
21 ~~administering a housing supports program.~~

22 ~~(4) A grant repayment component of the housing supports~~  
23 ~~program, as specified in paragraph (2) of subdivision (a):~~

24 ~~34652. The Board of State and Community Corrections shall~~  
25 ~~develop a request for proposal process for awarding grants to~~  
26 ~~housing authorities that establish a housing supports program~~  
27 ~~pursuant to this chapter. In awarding grants, the board shall do~~  
28 ~~both of the following:~~

29 ~~(a) Give preference to housing authorities that demonstrate the~~  
30 ~~ability to attract matching funds or leverage existing funds.~~

31 ~~(b) Give consideration to the geographic diversity of the housing~~  
32 ~~authorities applying for grants.~~

33 ~~34653. The California Housing Finance Agency shall develop~~  
34 ~~a request for proposal process for awarding grants to housing~~  
35 ~~authorities that establish a housing supports program pursuant to~~  
36 ~~this chapter and are located in a rural or small county. In awarding~~  
37 ~~grants, the board shall do both of the following:~~

38 ~~(a) Give preference to housing authorities that demonstrate the~~  
39 ~~ability to attract matching funds or leverage existing funds.~~

1 ~~(b) Give consideration to the geographic diversity of the housing~~  
2 ~~authorities applying for grants.~~

3 ~~34654. (a) The Second Chance Fund is hereby created in the~~  
4 ~~State Treasury. The Board of State and Community Corrections~~  
5 ~~shall be the entity responsible for administering this section.~~  
6 ~~Moneys in the fund are hereby continuously appropriated without~~  
7 ~~regard to fiscal year for the purposes of this chapter.~~

8 ~~(b) (1) The Board of State and Community Corrections shall~~  
9 ~~deposit an amount equal to 33 percent of the moneys disbursed to~~  
10 ~~it pursuant to paragraph (3) of subdivision (a) of Section 7599.2~~  
11 ~~of the Government Code into the Second Chance Fund.~~

12 ~~(2) The Second Chance Fund may receive moneys from any~~  
13 ~~other federal, state, or local grant, or from any private donation or~~  
14 ~~grant, for the purposes of this chapter.~~

15 ~~(c) Moneys in the Second Chance Fund shall be disbursed as~~  
16 ~~follows:~~

17 ~~(1) Ninety percent to the Board of State and Community~~  
18 ~~Corrections for the purposes of administering the grant program~~  
19 ~~described in Section 34652.~~

20 ~~(2) Ten percent to the California Housing Finance Agency for~~  
21 ~~the purpose administering the grant program described in Section~~  
22 ~~34653.~~

23 *SECTION 1. The Legislature finds and declares all of the*  
24 *following:*

25 *(a) California voters approved Proposition 47, known as the*  
26 *Safe Neighborhoods and Schools Act of 2014. The measure was*  
27 *enacted to ensure that prison spending is focused on violent and*  
28 *serious offenses, to maximize alternatives for non-violent and*  
29 *non-serious crime, and to invest the resulting savings into*  
30 *prevention and support programs.*

31 *(b) Research has shown that people in the criminal justice*  
32 *system disproportionately suffer from mental health issues and*  
33 *substance use disorders. Nationally, over half of all people in*  
34 *prisons or jails have experienced a mental health issue within the*  
35 *last year, and over half of women and 44 percent of men in jail*  
36 *have a drug or alcohol dependency.*

37 *(c) People in the criminal justice system and formerly*  
38 *incarcerated individuals have difficulty securing housing and*  
39 *employment following their incarceration. These challenges are*

1 *compounded for people living with mental health issues or*  
2 *substance use disorders.*

3 *(d) Offering people in the criminal justice system and formerly*  
4 *incarcerated individuals meaningful access to mental health*  
5 *services, substance use treatment services, housing-related job*  
6 *assistance, job skills training, and other community-based*  
7 *wrap-around social services has been shown to decrease the*  
8 *likelihood of future contact with law enforcement and the criminal*  
9 *justice system.*

10 *(e) Prioritizing the state savings realized by the implementation*  
11 *of the Safe Neighborhoods and Schools Act of 2014 for projects*  
12 *that combine mental health services, substance use treatment*  
13 *services, housing-related job assistance, job skills training, and*  
14 *other community-based wrap-around social services will help the*  
15 *state meaningfully reduce recidivism.*

16 *(f) By prioritizing projects that offer comprehensive*  
17 *interventions, the Legislature intends for public agencies,*  
18 *non-profits, and other community-based providers of services to*  
19 *people in the criminal justice system and formerly incarcerated*  
20 *individuals to leverage additional federal, state, and local funds*  
21 *for social investment resources.*

22 *(g) The Legislature intends to promote the use of restorative*  
23 *justice principles in addressing recidivism.*

24 *SEC. 2. Article 5 (commencing with Section 6046) is added to*  
25 *Chapter 5 of Title 7 of Part 3 of the Penal Code, to read:*

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27

*Article 5. Second Chance Program*

28

29 *6046. (a) The purpose of this article is to build safer*  
30 *communities by investing in community-based programs, services,*  
31 *and initiatives for formerly incarcerated individuals in need of*  
32 *mental health and substance use treatment services.*

33 *(b) The program established pursuant to this article shall be*  
34 *restricted to supporting mental health treatment, substance use*  
35 *treatment, and diversion programs for persons in the criminal*  
36 *justice system, with an emphasis on programs that reduce*  
37 *recidivism of persons convicted of less serious crimes, such as*  
38 *those covered by the Safe Neighborhoods and Schools Act of 2014,*  
39 *and those who have substance use and mental health problems.*

1 (c) *The Board of State and Community Corrections shall*  
2 *administer a program established pursuant to this article.*

3 6046.1. *For the purposes of this article, the following*  
4 *definitions shall apply:*

5 (a) *“Board” means the Board of State and Community*  
6 *Corrections.*

7 (b) *“Committee” means an Executive Steering Committee of*  
8 *the board.*

9 (c) *“Fund” means the Second Chance Fund established*  
10 *pursuant to Section 6046.2.*

11 (d) *“Recidivism” means a conviction of a new felony or*  
12 *misdemeanor committed within three years of release from custody*  
13 *or committed within three years of placement on supervision for*  
14 *a previous criminal conviction.*

15 6046.2. (a) *The Second Chance Fund is hereby created in the*  
16 *State Treasury. The board shall be responsible for administering*  
17 *the fund. Moneys in the fund are hereby continuously appropriated*  
18 *without regard to fiscal year for the purposes of this article.*

19 (b) (1) *The Board of State and Community Corrections shall*  
20 *deposit the moneys disbursed to it pursuant to paragraph (3) of*  
21 *subdivision (a) of Section 7599.2 of the Government Code into the*  
22 *Second Chance Fund.*

23 (2) *The Second Chance Fund may receive moneys from any*  
24 *other federal, state, or local grant, or from any private donation*  
25 *or grant, for the purposes of this article.*

26 (c) *The board shall not use moneys in the fund to supplant*  
27 *funding to existing programs, but may use moneys in the fund to*  
28 *expand the capacity of an existing program.*

29 (d) *The board shall not spend more than 5 percent annually of*  
30 *the moneys in the fund for administrative costs.*

31 6046.3. (a) *The board shall establish and implement a program*  
32 *to carry out the purposes of this article that focuses on*  
33 *community-based solutions for reducing recidivism. The program*  
34 *shall, at minimum, do all of the following:*

35 (1) *Restrict eligibility to projects designed to serve people who*  
36 *have been arrested, charged with, or convicted of criminal offense*  
37 *and have a history of mental health or substance use problems.*

38 (2) *Restrict eligibility to projects that offer mental health*  
39 *services, substance use disorder treatment services, misdemeanor*  
40 *diversion programs, or some combination thereof.*

- 1 (3) *Prioritize projects that advance principles of restorative*  
2 *justice while demonstrating a capacity to reduce recidivism.*
- 3 (4) *Prioritize projects that leverage other federal, state, and*  
4 *local funds or other social investments, including, but not limited*  
5 *to, the following sources of funding:*
- 6 (A) *The Drug Medi-Cal Treatment Program (22 Cal. Code*  
7 *Regs. 51341.1, 51490.1, and 51516.1).*
- 8 (B) *The Mental Health Services Act, enacted by Proposition 63*  
9 *at the November 2, 2004, general election, as amended.*
- 10 (C) *Funds provided for in connection with the implementation*  
11 *of Chapter 15 of the Statutes of 2011.*
- 12 (D) *The Community Corrections Performance Incentives Act*  
13 *(Stats. 2009, Ch. 608; Chapter 3 (commencing with Section 1228)*  
14 *of Title 8 of Part 2).*
- 15 (E) *The tax credits established pursuant to Sections 12209,*  
16 *17053.57, and 23657 of the Revenue and Taxation Code.*
- 17 (F) *The federal Department of Housing and Urban Development*  
18 *Emergency Solutions Grant program (42 U.S.C. Sec. 11371 et*  
19 *seq.).*
- 20 (G) *The federal Department of Veterans Affairs Supportive*  
21 *Services for Veteran Families program (38 U.S.C. Sec. 2044).*
- 22 (H) *Social Innovation Funds established by the Corporation*  
23 *for National and Community Service pursuant to Section 12653k*  
24 *of Title 42 of the United States Code.*
- 25 (I) *The Edward Byrne Memorial Justice Assistance Grant*  
26 *Program (42 U.S.C. Sec. 3750 et seq.).*
- 27 (5) *Ensure program guidelines and terms provide threshold or*  
28 *scoring criteria, or both, that strongly prioritize project*  
29 *applications that ensure provision of the following:*
- 30 (A) *Mental health services, substance use disorder treatment*  
31 *services, misdemeanor diversion programs, or some combination*  
32 *thereof.*
- 33 (B) *Housing-related assistance that utilizes evidence-based*  
34 *models, including, but not limited to, those recommended by the*  
35 *federal Department of Housing and Urban Development.*  
36 *Housing-related assistance may include, but is not limited to, the*  
37 *following:*
- 38 (i) *Financial assistance, including security deposits, utility*  
39 *payments, moving-cost assistance, and up to 24 months of rental*  
40 *assistance.*

- 1 (ii) *Housing stabilization assistance, including case*
- 2 *management, relocation assistance, outreach and engagement,*
- 3 *landlord recruitment, housing navigation and placement, and*
- 4 *credit repair.*
- 5 (C) *Other community-based wrap-around services, including,*
- 6 *but not limited to, job skills training, case management, and civil*
- 7 *legal services.*
- 8 (6) *Promote proposals that place an emphasis on servicing*
- 9 *persons arrested for, charged with, or convicted of a less serious*
- 10 *offense, but with minimal restrictions related to their prior criminal*
- 11 *history.*
- 12 (7) *Promote public and private partnerships.*
- 13 (8) *Promote proposals that include community-based*
- 14 *philanthropic and non-profit organizations.*
- 15 (9) *Promote interagency and regional collaborations.*
- 16 (10) *Consider geographic diversity.*
- 17 (b) *The board shall establish a committee to assist in developing*
- 18 *guidelines for administration of the program established pursuant*
- 19 *to subdivision (a) consistent with this article. The committee shall*
- 20 *consist of 11 members and shall be composed as follows:*
- 21 (1) *A formerly incarcerated individual who has received or is*
- 22 *receiving mental health or substance use disorder treatment.*
- 23 (2) *A mental health expert.*
- 24 (3) *A substance use disorders expert.*
- 25 (4) *A housing programs expert.*
- 26 (5) *A homelessness prevention expert.*
- 27 (6) *Two community-based social service providers with*
- 28 *experience in providing services to formerly incarcerated*
- 29 *individuals and reducing recidivism.*
- 30 (7) *A public safety expert.*
- 31 (8) *An academic expert with a history of research and expertise*
- 32 *on the best practices for reducing recidivism.*
- 33 (9) *A member of the board.*
- 34 (10) *An additional expert, to be selected by the board.*
- 35 ~~SEC. 2.~~
- 36 SEC. 3. *The Legislature finds and declares that this act furthers*
- 37 *the intent of the Safe Neighborhoods and Schools Act enacted by*
- 38 *Proposition 47 at the November 4, 2014, general election.*

O