An act to add Chapter 6.45 (commencing with Section 30035) to Division 3 of Title 3 of the Government Code, relating to transitional housing.
THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Chapter 6.45 (commencing with Section 30035) is added to Division 3 of Title 3 of the Government Code, immediately preceding Chapter 7, to read:

CHAPTER 6.45. COMMUNITY-BASED TRANSITIONAL HOUSING PROGRAM

30035. The Legislature finds and declares all of the following:

(a) Upon release from custody, offenders who are incarcerated for felony or misdemeanor convictions generally return to their communities of last residence.

(b) Providing released offenders with transitional housing services in tandem with support services that include, but are not limited to, employment counseling, job training, continuing education, psychological counseling, and substance abuse treatment may help these individuals transition into productive roles in their communities and reduce the fiscal and operational strain of recidivism on state and local law enforcement agencies and the courts.

(c) Research has found that transitional housing, and related support services, can be effective when provided to ex-offenders in community-based settings that reflect the environments in which they will permanently reside.

(d) For a variety of reasons, local agencies charged with land use decisions may be reluctant to approve facilities that provide released offenders with community-based services similar to those described in subdivision (b).
(e) It is in the state's interest to increase the supply of transitional housing for ex-offenders. The provision of state grants to cities, counties, and cities and counties that agree to approve facilities that provide released offenders with community-based services can provide incentives to increase the number of those facilities, while also providing additional resources to those communities.

30035.1. (a) There is hereby established the Community-Based Transitional Housing Program, to be administered by the Department of Finance. As used in this chapter, "program" means the Community-Based Transitional Housing Program and "department" means the Department of Finance.

(b) Eligibility to apply to participate in the program shall be limited to cities, counties, and cities and counties.

(c) The program shall be funded with moneys appropriated for that purpose in the annual Budget Act or other measure. Notwithstanding any other law, the encumbrance period for moneys appropriated in a budget act or other measure for the program shall be three fiscal years.

30035.2. In order for a city, county, or city and county to receive funds pursuant to the program, the facility for which it has approved a conditional use permit or other local entitlement pursuant to paragraph (2) of subdivision (a) of Section 30035.3 shall meet all of the following criteria:

(a) The facility shall provide transitional housing for a period of not less than 10 years to persons who have been released from a state prison or county jail after serving a sentence for one or more felony or misdemeanor convictions.
(b) The facility shall provide, or contract with another provider for, two or more additional services to residents. These services may include, but need not necessarily be limited to, life skills training, employment counseling, vocational training, continuing education, psychological counseling, anger management training, substance abuse treatment and counseling, or cognitive behavioral therapy.

(c) The facility operator, and any entity with which it contracts for the provisions of services described in subdivision (b), shall be in valid possession of all licenses required by state law and local rules, regulations, or ordinances.

30035.3. (a) (1) Applications for program funding shall be submitted to the department, in the form and manner specified by the department, no earlier than October 1, 2016, and no later than October 1, 2018.

(2) (A) Each application shall be accompanied by a copy of a resolution adopted by the county board of supervisors or the city council, as applicable, stating that the board or council has approved the issuance of a conditional use permit or other local entitlement for a facility that meets the criteria specified in Section 30035.2 and that final issuance of the conditional use permit or provision of other local entitlement will be provided within the three scheduled public meetings of the county board of supervisors or city council, as applicable, following the department’s approval of the city’s, county’s, or city and county’s application for program funds.

(B) The conditional use permit or other local entitlement issued pursuant to this paragraph shall be valid for a minimum period of 10 years from the date of issuance.

(C) Failure of the city, county, or city and county to provide final issuance of the conditional use permit or other local entitlement within the three scheduled public
meetings following the department’s approval of the city’s, county’s, or city and county’s application shall render the department’s approval of that application void. The city, county, or city and county shall thereafter be permanently ineligible to submit any future application for funding under the program.

(b) Each application for program funding shall detail all of the following:

(1) The amount of program funding requested.

(2) The number of offenders for whom the facility will provide services.

(3) The types of offenders for whom the facility will provide services.

(4) The types of services that the facility will provide to offenders.

(5) The purposes for which the city, county, or city and county will use the program funds for which it has applied.

(6) The purposes for which the facility will use program funds provided to it by the applicant city, county, or city and county.

(7) (A) The facility operator’s past in-state experience with operating facilities similar to those for which the application has been submitted.

    (B) The information required by this paragraph shall include detailed information describing each instance in which the facility operator was found to be in violation of any state law or local rule, regulation, or ordinance, including any applicable state or local licensing requirements.

(8) The facility operator’s program performance measurement in reducing recidivism and assisting ex-offenders in transitioning back into society.
(9) (A) A list of all permitted facilities within the applicant city’s, county’s, or city and county’s jurisdiction that, in a residential setting, provide transitional housing services, psychological counseling, or cognitive behavioral therapy.

(B) The number of persons residing in each facility described in subparagraph (A) and the types of services provided to those residents.

(C) The number of persons residing in each facility described in subparagraph (A) who are on probation or parole.

(10) An agreement, as a condition of receiving program funds, that the applicant city, county, or city and county will allow the conditional use permit or other local entitlement to remain valid throughout the 10-year period for which the conditional use permit or other local entitlement required pursuant to paragraph (2) of subdivision (a) is valid.

(11) Two contact persons at the applicant city, county, or city and county and two contact persons at the facility provider who will be tasked with responding to questions regarding the facility if the application for program funding is approved. The applicant city, county, or city and county shall promptly notify the department of any changes made to the contact information required by this paragraph.

30035.4. (a) The department shall approve or deny each application received pursuant to Section 30035.3 within 90 days of receipt and, if the application is approved, shall determine the amount of funding to be provided to each applicant city, county, or city and county, subject to subdivision (a) of Section 30035.5. The department’s decision to approve or deny an application and the determination of the amount of funding to be provided shall be final.
(b) The criteria specified in paragraphs (1) through (9), inclusive, of subdivision (b) of Section 30035.3 shall be the primary basis upon which the department determines whether to approve or deny an application and the amount of funds to award to an applicant city, county, or city and county. The department may consider any other criteria it deems appropriate, provided that any additional criteria are germane to making an award decision and further the purposes of the program.

(c) The department shall encourage applicant cities, counties, and cities and counties to match the requested program funds, to the greatest extent possible, using local funds. In the event that the department determines that, based on the criteria specified in subdivision (b), two or more applications are equal in merit, the department shall give priority to those applicant cities, counties, or cities and counties that agree to provide the largest amount of local matching funds proportionate to the amount of program funds for which they have applied.

(d) If the department approves an application and receives subsequent notification that the applicant city, county, or city and county has provided final issuance of a conditional use permit or other local entitlement as required by paragraph (2) of subdivision (a) of Section 30035.3, the Director of Finance, or his or her designee, shall direct the State Controller to remit to the applicant city, county, or city and county the amount of program funding approved by the department from those funds designated for that purpose in any budget act or other measure.

30035.5. (a) The department shall award to a city, county, or city and county, the application of which the department has approved pursuant to Section 30035.4, up to two million dollars ($2,000,000). An applicant city, county, or city and county shall
specify in its application the amount for which they are applying, as required by paragraph (1) of subdivision (b) of Section 30035.3.

(b) Of the funds provided to an applicant pursuant to this section, 60 percent shall be retained by the city, county, or city and county that provided the conditional use permit or other local entitlement for the facility and 40 percent shall be provided by the city, county, or city and county to the facility operator.

(1) A city, county, or city and county may use program funds, and any matching funds provided pursuant to subdivision (c) of Section 30035.4, for the following purposes:

(A) Discretionary law enforcement services, including efforts to enhance public safety in the vicinity of the facility for which program funding is provided.

(B) Community outreach efforts that seek to address the concerns of residents and property owners within the one-quarter mile radius of the facility for which program funding is provided.

(C) Any other community-based activities that the board of supervisors or city council, as applicable, believes will contribute to improved community relations regarding the facility for which program funding is provided.

(2) Facility operators may use program funds provided by the applicant city, county, or city and county for the following purposes:

(A) Providing facility residents with the services specified in the approved application for program funding.

(B) Enhancing the security of the facility and its premises.

(C) Community outreach and communications.
(D) Start-up costs for the operation of the facility.

(3) While the program is intended to primarily target offenders released from state prison or county jail, nothing in this chapter shall be construed as prohibiting the program from serving other individuals in the community who may benefit from the program's services.

(c) No later than August 1, 2017, and each subsequent August 1 for which the program is in effect, each participating city, county, or city and county shall report the following to the department in the form and manner specified by the department:

(1) Program funds and matching funds received by the participating city, county, or city and county.

(2) A description of the use of the program funds and matching funds.

(3) A list of permitted facilities within the city's, county's, or city and county's jurisdiction.

(d) No later than August 1, 2017, and each subsequent August 1 for which the program is in effect, each facility operator receiving program funds from a participating city, county, or city and county shall report the following to the department in the form and manner specified by the department:

(1) Program funds and matching funds received by the facility operator.

(2) The number of ex-offenders currently receiving program services.

(3) A description of the services provided.

(4) The number of ex-offenders who, over the course of the year preceding the report, received treatment and transitioned back into society.
(5) The facility operator's program performance measurement of recidivism reduction.

30035.6. (a) No later than November 1, 2017, and each subsequent November 1 until November 1, 2020, the department shall submit a report to the Joint Legislative Budget Committee detailing all of the following for the preceding fiscal year:

(1) The number of applications for program funding received by the department.

(2) The number of applications for program funding approved and denied by the department.

(3) The name of each city, county, or city and county receiving program funds and the number of ex-offenders for which each recipient city, county, or city and county has received program funds.

(4) The name of each city, county, or city and county whose application for program funding was denied and the number of ex-offenders for which each denied application requested program funding.

(b) A report submitted pursuant to subdivision (a) shall be submitted in compliance with Section 9795.

30035.7. (a) Of the amount appropriated in the annual Budget Act or other measure for the program, the department's Office of State Audits and Evaluations may use up to five hundred thousand dollars ($500,000) to conduct a review of the program to determine its effectiveness in providing services to offenders released from state prison or county jail.

(b) The department's Office of State Audits and Evaluations shall initiate its review of the program on July 1, 2018. The department shall provide a copy of the
review to the Joint Legislative Budget Committee no later than May 1, 2019. The copy of the review shall be submitted in compliance with Section 9795.

(c) Cities, counties, cities and counties, and facility operators that receive program funds shall agree, as a condition of receiving program funds, to cooperate fully with the review conducted pursuant to this section by the department’s Office of State Audits and Evaluations.

30035.8. Any action by the department to adopt and update instructions to any state or local agency for the purpose of carrying out the department’s obligations pursuant to this chapter constitutes a department action to adopt and update instructions for the preparation, development, or administration of the state budget pursuant to Section 11357 and is exempt from the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2).
LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, ______.

General Subject: Community-Based Transitional Housing Program.

Existing law, known as the Second Chance Program, requires the Board of State and Community Corrections to administer a competitive grant program that focuses on community-based solutions for reducing recidivism using certain funds allocated pursuant to the Safe Neighborhoods and Schools Act, enacted by Proposition 47 at the November 4, 2014, general election.

This bill would establish the Community-Based Transitional Housing Program, to be administered by the Department of Finance, for the purpose of providing grants to cities, counties, and cities and counties to increase the supply of transitional housing available to persons previously incarcerated for felony and misdemeanor convictions and funded with moneys appropriated for that purpose in the annual Budget Act or other measure. The bill would require an applicant city, county, or city and county to submit an application between October 1, 2016, and October 1, 2018, that includes
specified information and to approve the issuance of a conditional use permit or other local entitlement for a transitional housing facility that meets specified criteria, including that the facility provide transitional housing for a period of not less than 10 years and that it provide additional services to residents. If, after approval of its application, the city, county, or city and county fails to issue the conditional use permit or provide other local entitlement within a specified time period, the bill would provide that the approval of the application is void and the city, county, or city and county is permanently ineligible to submit any future application for funding under the program.

This bill would require the department to approve or deny an application based on specified criteria within 90 days of receipt and determine the amount of funds to award to the applicant city, county, or city and county. The bill would require that the department award up to $2,000,000 to each successful applicant and that 60% of the award be retained by the city, county, or city and county for certain law enforcement and community outreach purposes and 40% of the award be provided to the facility operator to provide services, enhance security, perform community outreach, or cover start-up costs.

The bill would require the department to submit a report to the Joint Legislative Budget Committee on November 1, 2017, and each November 1 thereafter until November 1, 2020, as provided. In addition, the bill would require the department’s Office of State Audits and Evaluations to conduct a review of the program to determine its effectiveness in providing services to offenders released from state prison or county jail. The bill would authorize the department to use up to $500,000 of the amount appropriated in any budget act or other measure for the program for this review.
The Administrative Procedure Act governs the procedure for the adoption, amendment, or repeal of regulations by state agencies and for the review of those regulatory actions by the Office of Administrative Law. That act exempts from its provisions actions by the department to adopt and update, as necessary, instructions to any state or local agency for the preparation, development, or administration of the state budget.

This bill would provide that any action by the department to adopt and update instructions to any state or local agency for the purpose of carrying out the Community-Based Transitional Housing Program constitutes a department action to adopt and update instructions for the preparation, development, or administration of the state budget and is exempt from the Administrative Procedure Act.