

# Breaking Barriers: Funding Strategies to House People Impacted by the Criminal Legal System

Safe and affordable housing is crucial to successfully reentering one's community post incarceration, including effectively combating the risks of post-release homelessness and the related risk of recidivism. This document outlines considerations for seeking and using current federal and California state funding to house and support people impacted by the criminal legal system; examples of communities leveraging various funding sources are included in footnotes, when possible.<sup>1</sup>

## Why Dedicate Funding?

Housing and related resources for people impacted by the criminal legal system will help end homelessness in our communities, lessen the related risk of re-incarceration,<sup>2</sup> and improve public safety. No community can make meaningful progress towards ending homelessness without taking affirmative steps to help people impacted by the criminal legal system access stable, permanent housing. Some reasons for this include:

- **National and California data show that people are caught in a revolving door between streets, shelters, and jails.**<sup>3</sup> Nationally, 25-50% of people who experience homelessness have been incarcerated,<sup>4</sup> and people incarcerated more than once are 13 times more likely to experience homelessness.<sup>5</sup> In California, 70% of people experiencing homelessness have been incarcerated.<sup>6</sup>
- **The need to overcome the deliberate barriers that prevent people impacted by the criminal legal system from securing housing.** There are over 1,000 laws and regulations in the U.S. that limit access to housing for people who have previously been incarcerated.<sup>7</sup> People with certain records are also categorically

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<sup>1</sup> Please note that this guide is not exhaustive, and information provided may be out of date. Be sure to always confirm any information before relying upon it.

<sup>2</sup> National Housing Law Project, "[The Importance of Stable Housing for Formerly Incarcerated Individuals](#)," Housing Law Bulletin 40 no. 2 (2010): 60–62.

<sup>3</sup> USICH, "[Solutions: Reduce Criminal Justice Involvement](#)," Oct. 2019 and California Health Policy Strategies, LLC, "[Criminal Justice System Involvement and Mental Illness Among Unsheltered Homeless in California](#)," Nov. 2018.

<sup>4</sup> "Improving Housing Outcomes for the Justice-Involved with Behavioral Health Challenges," Council on Criminal Justice & Behavioral Health, January 2020. P. 8.

<sup>5</sup> "Five Charts That Explain the Homelessness-Jail Cycle—and How to Break It," [Urban.org](#), Sept. 2020.

<sup>6</sup> California Health Policy Strategies, LLC, "[Criminal Justice System Involvement and Mental Illness Among Unsheltered Homeless in California](#)," Nov. 2018.

<sup>7</sup> "Collateral Consequences Inventory," National Inventory of Collateral Consequences of Conviction, The Council of State Governments (CSG) Justice Center.

excluded from many affordable housing programs and face increased unlawful housing discrimination.

- **Most communities lack effective programs to help people impacted by the criminal legal system achieve housing stability.** This reflects misconceptions and biases based on unsophisticated understandings of the societal forces that have led to mass incarceration.

## Funding Considerations

Before applying for funding, it is important to examine what your community's goals are, to plan what sort of initiative will help achieve them, and to identify funding for that initiative. Below are some questions to think through to help narrow what sort of grants you may want to pursue:

- ⇒ **Why is serving people impacted by the criminal legal system a priority for your community in particular?** Who is championing this population and why?
- ⇒ **What does this population look like in your community?** Do you have data that can tell you more about what sort of programs might be necessary to help people impacted by the criminal legal system succeed? For example, are people reentering the community after long stays in prison, or are they in a revolving door cycle between shelters and jail? Is there a behavioral health element?
- ⇒ **What resources are people experiencing homelessness who have been impacted by the criminal legal system asking for?** Do they need short-term assistance, like security deposits and first month's rent? Help with landlord negotiation? Or are longer term solutions needed? People with lived experience in both systems are the experts best positioned to help answer this question.
- ⇒ **What gaps exist in current resources and services for people impacted by the criminal legal system?** What housing in-reach and document readiness activities occur at local jails and other detention sites? Are warm handoffs happening as people transition between incarcerated settings and housing or homelessness systems? What housing services and supports exist for people coming out of custody after short stays? After stays longer than 90 days?
- ⇒ **What are the barriers that exist in your community?** What sort of work needs to be done to overcome those barriers? For example, if your community expresses bias against people impacted by the criminal legal system, then you may need to offer some upfront public education or engagement.
- ⇒ **What resources do you currently have that you could leverage?** Do you already have space you could convert into housing? Do you have other programs with strong landlord relationships? Do you have community buy-in, or support from elected officials?
- ⇒ **How strong are your relationships across systems?** For example: If you are a probation program, are you connected to leadership in the homeless system of

care, and vice-versa? Why are these relationships important to the success of your program, and how can you strengthen them?

Once you have answered these questions, you will have a better picture of what sort of program is possible for your community, and what funding makes the most sense to pursue.

## Existing Funding Available

This section provides an overview of the ways in which programs may leverage commonly-used federal and California funding sources to serve people experiencing homelessness who have been impacted by the criminal legal system.

## Federal Funding Opportunities

Funding Source	Eligible Population(s)	Examples of Eligible Costs
<p><u>CoC (Continuum of Care) Program</u><sup>8</sup></p> <p>Agency: HUD</p>	<p>Individuals and families experiencing homelessness, including an individual exiting an institution (jail, prison) where they have resided for 90 days or less<sup>9</sup> and who resided in a shelter or place not meant for human habitation immediately before entering the institution.</p> <p><i>Federal law does not prohibit providing CoC-funded assistance to people with criminal histories.</i></p>	<ul style="list-style-type: none"> <li>✓ Rental assistance for short-term, medium-term, or long-term housing</li> <li>✓ Supportive services: outreach, case management, transportation, housing search &amp; counseling, education, job training &amp; employment assistance, life skills training, childcare, legal services (including protection orders and resolution of outstanding criminal warrants), outpatient health services, mental health services, meals or groceries, substance abuse treatment services, and utility deposits</li> </ul>

<sup>8</sup> Identified by Department of Justice [Guide for Developing Housing for Ex-Offenders \(2004\)](#) as a potential funding source for supportive housing programs, Shelter Plus Care, and Section 8 SRO dwellings.

<sup>9</sup> On June 30, 2021, HUD issued a Memorandum on [Availability of Additional Waivers for Community Planning and Development \(CPD\) Grant Programs to Prevent the Spread of COVID-19 and Mitigate Economic Impacts Caused by COVID-19](#) that extended the 90-day period to 120 days. As of July 1, 2021, this waiver is in effect until December 31, 2021, and may be extended.

Funding Source	Eligible Population(s)	Examples of Eligible Costs
<p><b><u>ESG</u></b> <b><u>(Emergency Solutions Grants) Program</u></b><sup>10</sup></p> <p>Agency: HUD</p>	<p>Individuals and families experiencing homelessness and at risk of homelessness, including an individual exiting an institution (jail, prison) where they have resided for 90 days or less and who resided in a shelter or place not meant for human habitation immediately before entering the institution.</p> <p><i>Federal law does not prohibit providing ESG-funded assistance to people with criminal histories.</i></p>	<ul style="list-style-type: none"> <li>✓ Street Outreach</li> <li>✓ Emergency Shelter</li> <li>✓ Homelessness Prevention, including: <ul style="list-style-type: none"> <li>○ Rental assistance for short-term, medium-term, or rental arrears</li> <li>○ Housing relocation &amp; stabilization services (e.g., housing search &amp; placement, housing stability case management, mediation, credit repair, legal services (including protection orders and resolution of outstanding criminal warrants))</li> </ul> </li> <li>✓ Rapid Re-housing Assistance,<sup>11</sup> including: <ul style="list-style-type: none"> <li>○ Rental assistance</li> </ul> </li> <li>✓ Housing relocation &amp; stabilization services</li> </ul>
<p><b><u>HOME Investment Partnerships Program</u></b></p> <p>Agency: U.S. Department of Housing and Urban Development (HUD)</p>	<p>Low-income households (under 80% Area Median Income, or AMI) for owner-occupied housing.</p> <p>For local programs administering TBRA:</p> <ul style="list-style-type: none"> <li>○ 90% of units: below 60% AMI</li> <li>○ Remainder: below 80% AMI</li> </ul> <p>For rental projects with more than 5 HOME units:</p> <ul style="list-style-type: none"> <li>○ 20% of units: below 50% AMI</li> <li>○ Remainder: below 80% AMI</li> </ul> <p><i>Federal law does not prohibit providing HOME-funded assistance to people with criminal histories.</i></p>	<ul style="list-style-type: none"> <li>✓ Tenant-based Rental Assistance (TBRA) (rent, security deposits, utility deposits), except for Section 8 TBRA<sup>12</sup></li> <li>✓ Rental housing activities (acquire, rehab, construct affordable housing)</li> <li>✓ Homebuyer activities (acquisition, rehab, construction, down payments)</li> <li>✓ Rehabilitation of owner-occupied housing</li> </ul>

<sup>10</sup> Identified by Department of Justice [Guide for Developing Housing for Ex-Offenders](#) (2004) as a potential funding source for reentry programs.

<sup>11</sup> Salina, Kansas used ESG funding to provide rapid re-housing assistance to people leaving jail and prison. See Justice Center, [How One City Used Federal Funds to Create Reentry Housing Opportunities](#).

<sup>12</sup> Salt Lake City’s Homeless Assistance Rental Project (HARP) uses HOME funds for tenant-based rental assistance to individuals and families engaged in behavioral health treatment, including people impacted by the criminal legal system. See BJA, [Reentry Housing Options: The Policymakers’ Guide](#) at 10.

Funding Source	Eligible Population(s)	Examples of Eligible Costs
<p><b><u>Housing Choice Voucher (HCV)</u></b> <b><u>(“Section 8”)</u></b></p> <p>Agency: HUD</p>	<p>Very low-income families, the elderly, and persons with disabilities.</p> <p><i>Public Housing Authorities and owners of assisted units must deny access to people with convictions for production of methamphetamine on the premises of federally assisted housing, lifetime sex offender registrants, and people evicted for certain drug-related criminal activities.<sup>13</sup> PHAs have discretion to screen out for other criminal histories.</i></p>	<p>✓ Vouchers subsidize rents in the unit of the household’s choice. Rent is usually capped at 30% of the household’s adjusted income.<sup>14</sup></p>
<p><b><u>Public Housing and Voucher Programs</u></b></p> <p>Agency: HUD</p>	<p>Very low-income families, the elderly, and persons with disabilities.</p> <p><i>See Section 8 (above) for restrictions.</i></p>	<p>✓ Units in Public Housing projects. Rent is usually capped at 30% of the household’s adjusted income.<sup>15</sup></p>
<p><b><u>Housing Opportunities for Persons with AIDS (HOPWA)</u></b></p> <p>Agency: HUD</p>	<p>Low-income persons living with HIV/AIDS and their families.</p> <p><i>Federal law does not require criminal background screenings for applicants.</i></p>	<p>✓ Tenant-based rental assistance</p> <p>✓ Short-term rent, mortgage, and utility assistance to prevent homelessness</p> <p>✓ Permanent housing placement services<sup>16</sup></p> <p>✓ Short-term/transitional housing</p> <p>✓ Supportive services</p>

<sup>13</sup> For example, you cannot get public housing if your past drug use resulted in evictions from a federally-funded housing project, unless it has been more than three years since the eviction. Note that this is a simplified explanation of these bans. Please review current legal materials for up-to-date information about these prohibitions and opportunities to overcome them.

<sup>14</sup> The King County Housing Authority uses Section 8 funding to support parents in reentry who are at risk of homelessness and seeking to reunify with their children. See [King County Housing Authority FY 2020 Annual Plan: Moving to Work](#).

<sup>15</sup> The New York City Housing Authority has a program that allows people in reentry who would otherwise be barred to live with family members in public housing.

<sup>16</sup> HOPWA funding used to fund the [Coming Home Project](#) in NYC, to place and stabilize clients in permanent affordable housing. Additionally, Dallas uses HOPWA funding for Project Reconnect, which provides comprehensive reentry services. See [HOPWA 20: Housing Innovations in HIV Care](#).

Funding Source	Eligible Population(s)	Examples of Eligible Costs
<p><b><u>Community Development Block Grant (CDBG) Program</u></b><sup>17</sup></p> <p>Agency: HUD</p>	<p>People with low income.</p> <ul style="list-style-type: none"> <li>○ At least 70% CDBG funds must benefit people with low and moderate income</li> <li>○ The remaining 30% may benefit people with lower incomes, or be used for prevention, elimination of “slums and blight,” or to meet an urgent need (e.g., earthquake relief)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Acquisition of real property</li> <li>✓ Services, including employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare, or recreation</li> <li>✓ Relocation payments for displaced households</li> <li>✓ Activities necessary to develop a comprehensive community development plan<sup>18</sup></li> </ul>
<p><b><u>HOME-American Rescue Plan Program (HOME-ARP)</u></b></p> <p>Funded through the American Rescue Plan<sup>19</sup></p>	<p>Individuals and families:</p> <ul style="list-style-type: none"> <li>○ Experiencing homelessness</li> <li>○ At risk of homelessness</li> <li>○ Fleeing or attempting to flee domestic violence</li> <li>○ Other populations for whom supportive services or assistance would prevent homelessness or serve those at risk of housing instability</li> </ul> <p>Veterans and families that include a veteran family member that meets one of the preceding criteria.</p>	<ul style="list-style-type: none"> <li>✓ Tenant-based Rental Assistance (TBRA)</li> <li>✓ Supportive services, including prevention services and housing counseling</li> <li>✓ Production or preservation of affordable housing</li> </ul> <p>Non-Congregate Shelter acquisition and development or conversion to permanent housing (e.g., hotel conversions)</p>

<sup>17</sup> Identified by Department of Justice Guide for Developing Housing for Ex-Offenders (2004) as a potential funding source for reentry programs.

<sup>18</sup> The Chicago Metro Area used CDBG to fund Inmate Reentry Services, including assessment, case management, and referral to services including housing. See The Community Development Block Grant in the Chicago Metro Area: An Assessment of Spending on Workforce Development (2011).

<sup>19</sup> HOME-ARP supplemental allocations were announced in April 2021 and are available online at <https://www.hud.gov/sites/dfiles/CPD/documents/HOME-ARP.pdf>.

## California Funding Opportunities

Funding Source	Eligible Population(s)	Examples of Eligible Costs
<p><b><u>ESG (Emergency Solutions Grant) or ESG-CV funding administered through HCD</u></b></p> <p>Agency: California Department of Housing and Community Development (HCD)</p>	<p>ESG and ESG-CV: Individuals and families experiencing homelessness and at risk of homelessness, including an individual exiting an institution (jail, prison) where they have resided for 90 days or less and who resided in a shelter or place not meant for human habitation immediately before entering the institution.</p> <p><i>State law prohibits HCD programs rejecting tenants on the basis of “criminal convictions unrelated to tenancy, or behaviors that indicate a lack of ‘housing readiness.’”</i></p>	<p>ESG eligible costs include:</p> <ul style="list-style-type: none"> <li>✓ Street Outreach</li> <li>✓ Emergency Shelter</li> <li>✓ Homelessness Prevention</li> <li>✓ Rapid Re-housing Assistance</li> </ul> <p>ESG-CV: ESG eligible costs and:</p> <ul style="list-style-type: none"> <li>✓ Temporary Emergency Shelters</li> <li>✓ Landlord incentives, including:               <ul style="list-style-type: none"> <li>○ To landlords whose tenants will receive rental assistance provided by another funding source<sup>20</sup></li> </ul> </li> <li>✓ Volunteer incentives</li> <li>✓ Training</li> <li>✓ Handwashing stations &amp; portable bathrooms</li> </ul>
<p><b><u>HEAP (Homeless Emergency Aid Program)</u></b></p> <p>Agency: Homeless Coordinating and Financing Council (HCFC)</p>	<p>Individuals and families experiencing homelessness, including an individual exiting an institution (jail, prison) where they have resided for 90 days or less and who resided in a shelter or place not meant for human habitation immediately before entering the institution.</p> <p><i>State law prohibits BCSH/HCFC programs rejecting tenants on the basis of “criminal convictions unrelated to tenancy, or behaviors that indicate a lack of ‘housing readiness.’”</i></p>	<ul style="list-style-type: none"> <li>✓ Rental assistance or subsidies</li> <li>✓ Services, including:               <ul style="list-style-type: none"> <li>○ Criminal justice diversion programs</li> <li>○ Street outreach</li> <li>○ Health and safety education</li> <li>○ Prevention services</li> <li>○ Navigation services</li> </ul> </li> <li>✓ Capital improvements</li> </ul> <p>At least 5% of HEAP funds must be used to establish or expand services meeting the needs of youth experiencing or at risk of homelessness</p>

<sup>20</sup> For more information, see Homebase, [ESG-CV Landlord Incentives and Other Rental Assistance](#).

Funding Source	Eligible Population(s)	Examples of Eligible Costs
<p><b><u>HHAP (Homeless Housing, Assistance and Prevention) Grant Program</u></b></p> <p>Agency: HCFC</p>	<p>Individuals and families experiencing homelessness, including an individual exiting an institution (jail, prison) where they have resided for 90 days or less and who resided in a shelter or place not meant for human habitation immediately before entering the institution.</p> <p><i>State law prohibits BCSH/HCFC programs rejecting tenants on the basis of “criminal convictions unrelated to tenancy, or behaviors that indicate a lack of ‘housing readiness.’”</i></p>	<ul style="list-style-type: none"> <li>✓ Systems support to create regional partnerships and maintain a services system for vulnerable populations</li> <li>✓ Rental assistance</li> <li>✓ Landlord incentives</li> <li>✓ Outreach and coordination, including access to job programs</li> <li>✓ Prevention and shelter diversion</li> <li>✓ New navigation centers and emergency shelters, as needed</li> </ul>
<p><b><u>CESH (California Emergency Solutions &amp; Housing)</u></b></p> <p>Agency: HCD</p>	<p>Individuals and families experiencing or at risk of homelessness.</p> <p><i>State law prohibits HCD programs rejecting tenants on the basis of “criminal convictions unrelated to tenancy, or behaviors that indicate a lack of ‘housing readiness.’”</i></p>	<ul style="list-style-type: none"> <li>✓ Housing relocation and stabilization services (e.g., rental assistance)</li> <li>✓ Operating subsidies for permanent housing</li> <li>✓ Flexible housing subsidy funds</li> <li>✓ Operating support for emergency housing interventions</li> <li>✓ System support for homeless services and housing delivery systems</li> </ul>
<p><b><u>No Place Like Home Program</u></b></p> <p>Agency: HCD</p>	<p>Persons who are in need of mental health services and are experiencing homelessness, chronic homelessness, or who are at risk of chronic homelessness.<sup>21</sup></p> <p><i>State law prohibits HCD programs rejecting tenants on the basis of “criminal convictions unrelated to tenancy, or behaviors that indicate a lack of ‘housing readiness.’”</i></p>	<p>The purpose of the NPLH is to provide financing for the:</p> <ul style="list-style-type: none"> <li>✓ Acquisition,</li> <li>✓ Design,</li> <li>✓ Construction,</li> <li>✓ Rehabilitation, or</li> <li>✓ Preservation</li> </ul> <p>of permanent supportive housing.</p>

<sup>21</sup> See [No Place Like Home Program](#), “Population to be Served” for details.



## Potential Additional Funding Sources

This section provides an overview of additional federal and California funding sources that may be used to serve people experiencing homelessness who have been impacted by the criminal legal system.

## Potential Federal Funding

- **American Rescue Plan (ARP)**
  - The American Rescue Plan includes more than \$12 billion dedicated to housing and supportive services and additional flexible funding to states and localities that can be used to help people impacted by the criminal legal system quickly find and maintain affordable housing.<sup>22</sup>
- **Homeless Providers Grant and Per Diem Program (GPD)**
  - GPD grants are administered through the U.S. Department of Veterans Affairs to serve homeless veterans.
- **Bureau of Justice Assistance, Department of Justice**
  - In 2021, BJA offered a Second Chance Act Community-Based Reentry program to expand reentry services, training, and mentoring.<sup>23</sup>
- **Office on Violence Against Women, Department of Justice**
  - In 2021, OVW offered Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Sexual Assault and Stalking.<sup>24</sup>
- **SAMHSA (Substance Abuse and Mental Health Services Administration)**
  - In 2018, SAMHSA offered an Offender Reentry Program to expand reentry services.<sup>25</sup>
- **Rural Community Development Initiative Grants**
  - Awarded to help non-profit housing and community development organizations, low-income rural communities, and federally recognized tribes support housing, community facilities, and community and economic development projects in rural areas.

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<sup>22</sup> This [Guide from The Council of State Governments](#) provides an overview of eight justice-related goals that state leaders can support with funding available through ARP, including expanding access to housing and supporting youth and people who have experienced or are at risk of domestic violence and sexual assault.

<sup>23</sup> BJA, “FY 2021 Second Chance Act Community-Based Reentry Program.”

<sup>24</sup> OVW, “OVW Fiscal Year 2021 Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Sexual Assault and Stalking.”

<sup>25</sup> SAMHSA, “Offender Reentry Program.”

- **HUD-VASH**
  - HUD-VASH combines HUD housing vouchers with VA supportive services to help veterans who are homeless and their families find and sustain permanent housing.
- **SSVF (Supportive Services for Veteran Families)**
  - SSVF grants are awarded to assist very low-income veteran families residing in or transitioning to permanent housing. Grantees provide a range of supportive services to promote housing stability.

## Potential California Funding

- **MHSA (Mental Health Services Act),<sup>26</sup> CA Dept. of Health Care Services**
  - MHSA requires a comprehensive and coordinated system of care that includes criminal justice, housing, employment, public welfare, health, and mental health to address mental illness and delivers cost-effective programs. Eligible costs include diversion, services to persons on parole, and/or discharge services for persons not incarcerated in state prison.
- **Whole Person Care (WPC) Program, CA Dept. of Health Care Services**
  - The Whole Person Care (WPC) regional pilots focus on the coordination of health, behavioral health, and social services. Funding allows regions to receive support to integrate care for a particularly vulnerable group of Medi-Cal beneficiaries who have been identified as high users of multiple systems and continue to have poor health outcomes.
- **HCD Veterans Housing and Homelessness Prevention Program (VHHP)**
  - VHHP funds may be used for the acquisition, construction, rehabilitation, and preservation of affordable multifamily housing for veterans and their families to allow veterans, including veterans with other-than-honorable discharges, to access and maintain housing stability.

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For additional technical assistance related to serving people impacted by the criminal legal system who are experiencing or at risk of homelessness, please email Homebase's Criminal Legal System Initiative at [clsi@homebaseccc.org](mailto:clsi@homebaseccc.org).

<sup>26</sup> See also DHCS, [Fact Sheet: How Can MHSA Be Used To Support Individuals In The Criminal Justice System?](#) (June 2020), and DHCS, [Fact Sheet: How Can MHSA Be Used to Support Homeless Individuals?](#) (March 2020).