

Date of Hearing: March 25, 2025

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Alex Lee, Chair

AB 534 (Schiavo) – As Introduced February 11, 2025

**SUBJECT:** Transitional housing placement providers

**SUMMARY:** Requires contracts for a transitional housing placement (THP) provider or Transitional Housing Program-Plus (THP-Plus) provider to have 10-year terms, grants the county the right to terminate a contract or a portion of the contracted services prior to the end of the contract term by providing at least 90 days' notice to the contractor, and permits the county and contractor to agree to enter into an extension of the contract, either at the time of the initial contract or at any time thereafter.

**EXISTING LAW:**

- 1) Defines a “transitional housing placement provider” to mean an organization licensed by the California Department of Social Services (CDSS) pursuant to 2) below, to provide supervised transitional housing services to foster children who are at least 16 years of age. Requires a THP provider to be privately operated and organized on a nonprofit basis. Requires, before licensure, a provider to obtain certification from the applicable county. (Welfare and Institutions Code [WIC] § 11400(r))
- 2) Establishes the licensing and operational requirements for THP providers to include eligibility requirements, housing models, and staffing ratios. (Health and Safety Code [HSC] § 1559.110)
- 3) Requires CDSS to license THP providers that provide supervised transitional housing services to foster children who are at least 16 years of age pursuant to 2) above. (WIC § 16522(a))
- 4) Provides that THP-Plus providers, as defined in 5) below, shall not be subject to licensure if they are certified to provide transitional housing by the applicable county and have obtained a local fire clearance. (WIC § 16522(b))
- 5) Defines “Transitional Housing Program-Plus” to mean a provider certified by the applicable county to provide transitional housing services to former foster youth who have exited the foster care system on or after their 18th birthday. (WIC § 11400(s))
- 6) Requires an applicant, in order to be licensed as a THP provider and be eligible for payment of Aid to Families of Dependent Children-Foster Care benefits, to obtain certification from the applicable county specifying whether the facility will serve foster youth between 16 and 18 years of age, nonminor dependents (NMDs), or both.
- 7) Defines “nonminor dependent” as a current or former foster youth who is between 18 and 21 years of age, in foster care under the responsibility of the county welfare department, county probation department, or Indian tribe, and participating in a transitional independent living plan (TILP). (WIC § 11400(v))

- 8) Defines “THP-NMD” as a transitional housing program serving NMDs between 18 and 21 years of age. (WIC § 16522.1(a)(2))
- 9) Requires CDSS to establish certification standards and procedures for the THP-NMD program. (WIC § 16522(c))
- 10) Defines “transitional housing units” as including any of the following: a host family certified by a THP provider with whom a participant lives in an apartment, single-family dwelling, or condominium owned, rented, or leased by the host family; a staffed site in which a participant lives in an apartment, single-family dwelling, or condominium owned, rented, or leased by a THP provider either with an adult employee of the provider who provides supervision or in a building in which one or more adult employees of the provider reside and provide supervision; and, a remote site in which a participant lives independently in an apartment, single-family dwelling, or condominium owned, rented, or leased by a THP provider under the supervision of the provider if CDSS provides approval. (HSC § 1559.110(d))
- 11) Requires CDSS to adopt regulations to govern licensed THP providers and sets forth minimum provisions to be included. (HSC § 1559.110 (g))

**FISCAL EFFECT:** Unknown, this bill has not been analyzed by a fiscal committee.

**COMMENTS:**

**Background:** *Child Welfare Services (CWS) System.* The goal of California’s CWS system is ultimately to protect children from abuse and neglect, and provide for their health, safety, and overall well-being. When a child is identified as being at risk of abuse or neglect, county juvenile courts hold legal jurisdiction and the CWS system appoints a social worker in order to ensure the needs of the child are met. Through the CWS system, multiple opportunities arise for the judicial system to evaluate, review, and determine the custody of the child, or determine the best out-of-home placement for the youth. Together, the judicial system and the child’s social worker ensure that the best possible services are provided to the child. The CWS system, when appropriate, also works to reunite children who have been removed from the custody of their parents or guardians with individuals they consider to be family in order to maintain familial bonds wherever possible. As of October 1, 2024, there are 409,165 youth up to 20 years of age placed in California’s child welfare system.

*Extended Foster Care.* In 2010, AB 12 (Beall), Chapter 559, Statutes of 2010, extended foster care benefits for certain eligible youth until 21 years of age. Prior to the expansion of foster care benefits, youth “aged out” of the CWS system at 18 years of age and were required to navigate the challenges of young adulthood, including obtaining education, stable housing, and employment, without the support of the CWS system. In recognition of the difficulties faced by these youth, extended foster care provides eligible youth between 18 and 21 years of age, known as NMDs, with the services and supports they need to experience independent living in supervised living environments. Extended foster care also enables youth to obtain educational and employment training to better prepare them to transition to adulthood and self-sufficiency

*Transitional Housing Placement Programs.* The THP Program is a type of foster care placement, licensed by CDSS, that requires applicants to obtain certification from the county specifying whether the facility will service foster youth between 16 and 18 years of age as a transitional

placement program for minors (THP-M), foster youth between 18 and 21 years of age as a transitional placement for NMDs (THP-NMD), or both.

According to CDSS, the goal of a THP program is to help participants emancipate successfully by providing a safe environment for youth while learning skills that can promote self-sufficiency. The THP Program also provides supportive services such as educational guidance, employment counseling, and assistance in reaching emancipation goals, as defined by the youth.

The THP-M program, is a type of THP program for foster youth, between 16 and 18 years of age. The program provides supervised transitional housing and supportive services based on the youth's TILP. The TILP is developed by the youth with their social worker and details goals and objectives to achieve while working toward self-sufficiency. Participants are allowed to live alone, with CDSS approval, or with roommates in apartments or single-family dwellings, where a staff member from the housing provider lives on-site to provide supervision and assistance.

The THP-M program does not meet the Federal Title IV-E and state foster care definition for federal reimbursements under the Federal Family First Prevention Act, which became law in 2018. This means that if counties choose to place a minor in this type of placement setting, they are required to use county funds to cover the cost.

The THP-NMD program, formerly known as THP+FC, was established by AB 12, is a supervised, supportive housing program for young adults between 18 and 21 years of age who are in California's extended foster care program. This program helps NMDs transition from foster care to independent living by providing safe housing, case management, and life skills development. NMDs have the right to voluntarily remain in (or re-enter) foster care, live in approved housing options (e.g., THP-NMD), and receive support to develop life skills and self-sufficiency.

THP-NMD provides three types of supervised housing:

- *Single-Site Housing.* Apartments or dorm-style housing where multiple NMDs live in the same building with onsite support staff;
- *Scattered-Site Housing.* Individual apartments or shared housing located throughout the community, with regular case management visits; and,
- *Host Family Model.* NMDs live with an adult mentor (host family) who provides support and guidance while maintaining independence.

THP-NMD participants receive case management, supervision, and intensive support services. The goal of supportive services is to assist the NMD in obtaining the skills needed to transition to independent living. This includes assistance with meeting educational goals, obtaining gainful employment, and learning financial management, relationship, and daily living skills.

Once the provider obtains certification, the THP-NMD provider is required to be licensed by their regional Community Care Licensing Division under CDSS. After receiving licensure, the provider is allowed to contract with a county to provide the program to eligible foster youth. After a provider is certified and licensed, they can apply to the CDSS Foster Care Audits and

Rates Bureau to get a rate for foster care payments. The THP-NMD program has statewide rates that vary based on the type of housing model utilized.

*Transitional Housing Placement-Plus Programs.* The THP-Plus program is a transitional housing program for young adults who exited foster care, including probation-supervised youth, on or after their 18th birthday. This program offers housing and supportive services for 36 cumulative months or until 25 years of age, whichever comes first. The housing models and services offered are similar to those offered in other THP programs, but the rules of the program are designed to be age-appropriate for young adults. CDSS states the goal of THP-Plus is to provide a safe living environment, while helping participants develop the life skills needed to live independently. The NMD is asked to develop a TILP to assist in identifying and detailing the goals and objectives necessary to transition into adulthood.

There are several housing models under the THP-Plus program and providers are permitted to offer the following residential units:

- Apartments;
- Single-family dwellings;
- Condominiums;
- College dormitories; and,
- Host family models.

THP-Plus provides services designed to assist participants in their transition to independence. Some of the services include education assistance, counseling, employment support and training, mental health services, development of daily living skills, obtaining relevant documents birth certificate, social security card, or driver's license.

THP-Plus providers are exempt from licensure provided they have obtained certification from the applicable county and obtained a local fire clearance. THP-Plus was formerly funded 100% by the General Fund, however the state general funds previously allocated for this program were realigned in Fiscal Year 2011-12 to the counties and are now included in each county's local revenue fund.

Currently, there are no regulations or requirements regarding the minimum duration of a THP contract and counties make these decisions on a case-by-case basis. Many counties currently contract with service providers on a one-or two-year basis or align their contracts with other funding allocations, while some smaller, rural counties operate these programs directly without external providers. *This bill* would require that contracts for THP providers and THP-Plus providers have an initial term of ten years as an effort to ensure that providers seeking to buy properties for these programs can demonstrate a stable, long-term revenue stream when applying for loans.

*Youth Homelessness.* In December of 2024, the United States Department of Housing and Urban Development released its Annual Homeless Assessment Report to Congress, which found that, 9,052 people in California experienced homelessness on their own as an "unaccompanied

youth.” Unaccompanied youth are defined as people in households without children, who are not a part of a family with children, or accompanied by their parent or guardian during their episode of homelessness and are between 18 and 24 years of age. Additionally, 60% of the homeless youth in California were unsheltered, meaning they are in living situations that include couch surfing, staying in shelters, living under bridges, in abandoned buildings, and on the streets. Foster youth in California experience disproportionately higher rates of homelessness when compared to their non-foster youth peers, with 65% of emancipating youth reporting they lack safe and affordable housing at the time of emancipation.

**Author’s Statement:** According to the Author, “[This bill] is a vital step toward ensuring that young adults ages 18 to 25, who have no safety net and face significant housing challenges, receive the support they need. These youth often lack the credit history and rental experience required to secure stable housing, leaving them vulnerable to homelessness. Many of the youth represented today have aged out of the foster system without a reliable family to turn to, making them the first to experience homelessness. Without guidance and resources, they are left to navigate the harsh realities of street life, where they are at an increased risk of substance abuse and exploitation. By providing a safe, stable, and supportive home environment, [this bill] gives these young individuals a chance to build a foundation for a successful future. A secure place to live is not just about shelter—it is about fostering potential, promoting independence, and creating pathways for education, employment, and self-sufficiency. Every young person deserves the opportunity to thrive, and by investing in housing stability, we are investing in the future of our communities.

“[This bill] is more than a policy—it is a promise that we will not abandon those who need us most, but instead, empower them to become productive and contributing members of society.”

**Equity Implications:** The provisions of *this bill* seek to create opportunities to allow service providers to own their properties instead of rent, and as a result, create more stable housing for youth. Youth homelessness differs from homelessness among other populations, such as seniors, veterans, and families in several key ways. Transition-age youth often become homeless with little or no work experience and lack essential life skills needed to secure employment and stable housing, such as money management, housekeeping, and job searching. Additionally, they face a higher risk of criminal victimization, such as sexual exploitation and labor trafficking, making their path to stability even more challenging. Homelessness among transition-age youth occurs for a variety of reasons, but overwhelmingly, family conflict and breakdown, including abuse, neglect, substance use, pregnancy, and rejection over sexual orientation, are cited as root causes. Additionally, many youth in the child welfare, juvenile justice, and/or mental health systems become homeless when they transition out without the housing and employment opportunities that often accompany these systems.

## **RELATED AND PRIOR LEGISLATION:**

**AB 2674 (Schiavo) of 2024**, would have established the California Affordable and Foster Youth Housing Finance Innovation Program within the California Housing Finance Agency. *AB 2674 was held on the Assembly Appropriations Committee suspense file.*

**AB 963 (Schiavo) of 2023**, would have required the California Infrastructure and Economic Development Bank to establish one or more programs to guarantee qualified loans for the construction, acquisition, and renovation for housing for current or former foster youth who are 18 to 25 years of age and qualify for specified housing programs, with preference given to

municipalities with high housing inelasticity and high rates of foster youth. *AB 963 was held on the Assembly Appropriations Committee suspense file.*

**REGISTERED SUPPORT / OPPOSITION:****Support**

Alliance of Child and Family Services (Co-Sponsor)  
Good River Partners (Co-Sponsor)  
Association of Community Human Service Agencies  
California Alliance of Caregivers  
Florence Crittenton Services of Orange County, INC.  
Sycamores

**Opposition**

None on file.

**Analysis Prepared by:** Jessica Langtry / HUM. S. / (916) 319-2089