

ASSEMBLY THIRD READING
AB 2893 (Ward)
As Amended April 17, 2024
Majority vote

SUMMARY

Establishes a certification process for recovery homes and adds a standard for recovery homes that meets the state's Housing First requirements.

Major Provisions

- 1) Includes the following definitions:
 - a) "Housing first model" means housing that satisfies the core components of Housing First pursuant to Section 8255 of the Welfare and Institutions Code.
 - b) "Recovery house" means a residence that serves individuals experiencing, or who are at risk of experiencing, homelessness or mental health issues and that does all of the following:
 - i) Satisfies the core components of Housing First pursuant to Section 8255 of the Welfare and Institutions Code;
 - ii) Uses substance use-specific services, peer support, and physical design features supporting individuals and families on a path to recovery from addiction; and
 - iii) Emphasizes abstinence.
 - c) "Trauma-informed practices" means a trauma-informed approach to care guided by the principles of safety, trustworthiness and transparency, peer support, collaboration and mutuality, empowerment and choice, and culture, historical, and gender issues.
- 2) Requires the Department of Health Care Services (DHCS) to oversee certification of recovery houses by establishing a criteria for the certification of recovery housing conditions under which a recovery home may be certified and regain certification.
- 3) Authorizes DHCS to charge a fee of not more than \$1,000 for certifying recovery houses.
- 4) Establishes the Shared Recovery Housing Residency Program Fund to receive all funds collected for certifying recovery housing.
- 5) Authorizes recovery houses that are certified by DHCS to receive referrals from the department, its agencies, or contractors as housing available for persons experiencing or at risk of experiencing homelessness or mental health issues.
- 6) Prohibits recovery housing from providing services on-site, including, but not limited to, incidental medical services, as defined.
- 7) Adds provisions regarding recovery housing to the existing statute governing Housing First, including the following:

- a) Allows state departments and agencies to fund recovery housing that use substance use-specific services, peer support, and physical design features supporting individuals and families on a path to recovery from addiction that emphasizes abstinence so long as the state program uses at least 75% of the funds for housing or housing-based services using a harm reduction model, and that recovery housing complies with the following:
 - i) An individual or family is offered options and chooses recovery housing over housing offering a harm-reduction approach;
 - ii) The recovery housing otherwise complies with all other components of Housing First, in existing law, including low barrier to entry;
 - iii) Participation in a program is self-initiated;
 - iv) Core components emphasize long-term housing stability and minimize returns to homelessness;
 - v) Policies and operations ensure individual rights of privacy, dignity and respect, and freedom from coercion and restraint, as well as continuous, uninterrupted access to housing;
 - vi) Holistic services and peer-based recovery supports are available to all program participants along with services that align with participants' choice and prioritization of personal goals of sustained recovery and abstinence from substance use.
 - vii) The housing abides by local and state landlord-tenant laws governing grounds for eviction.
 - viii) Relapse is not a cause for eviction from housing and tenants receive relapse support.
 - ix) Eviction from recovery housing shall only occur when a tenant's behavior substantially disrupts or impacts the welfare of the recovery community in which the tenant resides. A tenant may apply to reenter the housing program if expressing a renewed commitment to living in a housing-setting targeted to people in recovery with an abstinence focus.
 - x) If a tenant is no longer interested in living in a recovery housing model or the tenant is at risk of eviction, the housing program provides assistance in accessing housing operated with harm-reduction principles that is also permanent housing.

COMMENTS

Homelessness in California: Based on the 2023 point in time count, California has the largest homeless population in the nation with 181,399 people experiencing homelessness on any given night. Many of those people (113,660) are unsheltered, meaning they are living outdoors and not in temporary shelters. Nearly half of all unsheltered people in the country were in California during the 2023 count. The homelessness crisis is driven in part by the lack of affordable rental housing for lower income people. In the current market, 2.2 million extremely low-income and very low-income renter households are competing for 664,000 affordable rental units. Of the six

million renter households in the state, 1.7 million are paying more than 50% of their income toward rent. The National Low Income Housing Coalition estimates that the state needs an additional 1.5 million housing units affordable to very-low income Californians.

Recovery Housing: Under existing law, "recovery housing" or "sober living homes" are residential dwellings that provide cooperative living in a residential dwelling that support an individual's personal recovery from a substance use disorder. These homes are not licensed by DHCS or any other state or local government. This bill seeks to create a new category of "recovery home" for people who are homeless or at risk of experiencing homelessness or mental health or substance abuse issues. Recovery housing, as currently defined under existing law, is not required to comply with Housing First requirements, although some may do so. This bill would require a "recovery home" to comply with Housing First, which means that although the provider of the housing could emphasize abstinence, an individual would be offered options and would choose recovery housing over housing offering a harm-reduction approach; participation would be self-initiated; relapse is not a cause for eviction from housing and tenants receive relapse support; and policies and operations must ensure individual rights of privacy, dignity and respect, and freedom from coercion and restraint, as well as continuous, uninterrupted access to housing. By incorporating the principles of Housing First an evidence-based approach to housing, recovery homes will ensure greater success for individuals to remain housed.

Housing First: Decades of research demonstrate that evidence-based approaches like supportive housing – affordable housing coupled with wrap-around services – resolves homelessness for most individuals. In addition, the state has a policy of Housing First, which is an approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life. Many state and local programs effectively utilize these evidence-based approaches to address homelessness; however, the number of people falling into homelessness continues to overwhelm the response system and surpasses the affordable housing stock in many communities. These factors lead to persistently high rates of homelessness despite recent state and local investments. Other strategies, such as rental assistance and help with identifying and securing housing (housing navigation) can also help with those individuals who need prevention tools to avoid homelessness.

Shifting Funding: SB 1380 (Mitchell), Chapter 847, Statutes of 2016 required the state to adopt a Housing First approach and required all state-funded programs to comply with Housing First. Traditional recovery housing does not necessarily conform to Housing First because it is an abstinence-based approach to addressing substance abuse. This bill would set new guidelines for how recovery homes could continue to provide an option for abstinence but also comply with Housing First. This bill would allow state programs to use 25% of available funding for homelessness for licensed recovery homes, as defined.

According to the Author

"AB 2893 would direct the California Department of Healthcare Services (DHCS) to create a statewide certification program for recovery houses that would be in compliance with housing first policies under the federal Department of Housing and Urban Development (HUD) definition. This bill would instruct DHCS to create a certification program for these homes at a state level to standardize their care as well as reign in bad actors. This is a working model that the state can use housing funds for to solve its acute homelessness and addiction crisis."

Arguments in Support

According to the sponsors, SHARE!, "AB 2893 (Ward) would require the Department of Healthcare Services to oversee certification of recovery houses that serve individuals experiencing, or who are at risk of experiencing, homelessness or mental health issues, with a housing first model. The bill would require the department to establish criteria for certification of recovery houses in order to allow a recovery house to receive referrals from the department as available housing for persons experiencing, or at risk of experiencing, homelessness or mental health issues.

AB 2893 would establish recovery houses at the end of the continuum of care that does not provide any licensed medical services onsite. This definitional bill is crucial to ensure that during these difficult budgetary times, only the most effective programs that have a certified and proven track record should gain access to our strapped state funds."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

- 1) Estimated costs to DHCS of an unknown, but likely significant amount, offset to an unknown extent by certification fee revenue, to establish and oversee a certification process for recovery houses. The bill authorizes DHCS to charge a certification fee of up to \$1,000. DHCS is still developing its estimate and was unable to respond to the committee's request for fiscal information.
- 2) The California Interagency Council on Homelessness (Cal ICH) estimates General Fund costs of \$705,000 in the first year and \$673,000 in the second year, for four staff positions to receive reports and periodically monitor select recovery housing programs, report results, and intervene when statute is violated. This cost estimate assumes Cal ICH will be the agency conducting "periodic monitoring" of recovery houses, although the bill does not clearly specify the agency that is to conduct the periodic monitoring.

According to the Legislative Analyst's Office, the General Fund faces a structural deficit in the tens of billions of dollars over the next several fiscal years.

VOTES

ASM HOUSING AND COMMUNITY DEVELOPMENT: 7-0-2

YES: Ward, Grayson, Kalra, Lee, Quirk-Silva, Reyes, Wilson

ABS, ABST OR NV: Joe Patterson, Sanchez

ASM HEALTH: 14-0-2

YES: Bonta, Waldron, Aguiar-Curry, Arambula, Wendy Carrillo, Flora, Haney, Jones-Sawyer, Maienschein, McCarty, Rodriguez, Santiago, Schiavo, Weber

ABS, ABST OR NV: Joe Patterson, Sanchez

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Arambula, Bryan, Calderon, Wendy Carrillo, Mike Fong, Grayson, Haney, Hart, Pellerin, Villapudua

ABS, ABST OR NV: Sanchez, Dixon, Jim Patterson, Ta

UPDATED

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CONSULTANT: Lisa Engel / H. & C.D. / (916) 319-2085

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