

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON HOUSING AND COMMUNITY DEVELOPMENT

Matt Haney, Chair

AB 1556 (Haney) – As Amended March 19, 2026

SUBJECT: Recovery residences: funding

SUMMARY: Creates a definition of “recovery residence” and establishes requirements for recovery residences to receive state funding. Specifically, **this bill:**

- 1) Defines “recovery residence” to mean housing in a residence that serves individuals experiencing, or who are at risk of experiencing, homelessness and who opt into a drug-free environment that does all of the following:
 - a) Satisfies the core components of Housing First;
 - b) Uses substance use-specific, peer support, and physical design features that support individuals and families on a path to recovery from substance use disorders;
 - c) Emphasizes abstinence; and
 - d) Offers tenants permanent or temporary housing.
- 1) Provides that to be eligible for state funding, a recovery residence shall meet all of the following requirements:
 - a) Provide treatment and services that are participant driven and tailored to participant needs;
 - b) Requires residency to be initiated by the resident or their family and the resident or their family is offered at least one harm-reduction housing placement option, unless participation in recovery housing is court ordered, residency is initiated by the resident;
 - c) Requires the resident or family to choose a recovery residence instead of housing offering a harm-reduction approach;
 - d) Does not require the harm-reduction housing placement option and the recovery residence to be available for move in at the same time;
 - e) Provides that relapse is not a cause for eviction from housing and requires residents to receive relapse support;
 - f) Require that the residence supports, and not prevent or restrict, a resident’s access to, or use of, medications prescribed for behavioral or physical health conditions, including, but not limited to, medications prescribed for the treatment of mental health conditions and substance use disorders, including, but not limited to, alcohol use disorder and opioid use disorder;

- g) Requires the residence to provide emergency preparedness and overdose prevention and response training to staff and residents and makes overdose reversal medication available and readily accessible to staff and residents onsite;
- h) Requires the residence to have consent and confidentiality protections for its residents consistent with applicable state and federal law;
- i) Requires the residence to adopt and maintains a written return to use policy that is approved by an organization currently recognized as an affiliate of the National Alliance for Recovery Residences (NARR) for consistency with NARR best practices. Requires the return to use policy to include all of the following:
 - a. A clear articulation of the recovery housing's policy on the possession and use of alcohol, cannabis, and other controlled substances;
 - b. Contact information for treatment providers, mutual aid supports, and recovery coaches that can be contacted for additional support;
 - c. An explanation that the residence's standard response to a resident's return to substance use will not be punitive in nature;
 - d. An explanation of the steps the residence will take to address a resident's return to use;
 - e. An explanation of actions by the resident that may result in eviction or discharge, including, but not limited to, the possession or use of alcohol, cannabis, or any other controlled substance or repeated program violations;
 - f. A prohibition on the eviction or discharge of a resident for a return to use related program violation unless the following conditions are met:
 - i. The resident rejects a warm handoff to long-term supportive housing;
 - ii. If the resident rejects the warm handoff described in clause (i), the residence offers at least one warm handoff to an emergency shelter, interim supportive housing, or an appropriate level of care consistent with the American Society of Addiction Medicine criteria, and the resident rejects all offers;
 - iii. If the resident rejects the warm handoff offers described in subparagraph (A), the residence may proceed with an eviction or discharge of the resident; and
- j) Requires that all prospective residents agree to the residence's return to use policy as a condition of residency.

EXISTING LAW:

- 1) Establishes the California Interagency Council on Homelessness (Cal-ICH) with the purpose of coordinating the state's response to homelessness by utilizing Housing First practices. (Welfare and Institutions Code (WIC) Section 8255)
- 2) Requires agencies and departments administering state programs created on or after July 1, 2017 to incorporate the core components of Housing First. (WIC 8255)
- 3) Defines "Housing First" to mean the evidence-based model that uses housing as a tool, rather than a reward, for recovery and that centers on providing or connecting homeless people to permanent housing as quickly as possible. Housing First providers offer services as needed and requested on a voluntary basis and that do not make housing contingent on participation in services. (WIC 8255)
- 4) Defines, among other things, the "core components of Housing First" to mean:
 - a) Acceptance of referrals directly from shelters, street outreach, drop-in centers, and other parts of crisis response systems frequented by vulnerable people experiencing homelessness;
 - b) Supportive services that emphasize engagement and problem-solving over therapeutic goals and service plans that are highly tenant-driven without predetermined goals;
 - c) Participation in services or program compliance is not a condition of permanent housing tenancy;
 - d) Tenants have a lease and all the rights and responsibilities of tenancy, as outlined in California's Civil, Health and Safety, and Government codes; and
 - e) The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction. (WIC 8255)
- 5) Defines "recovery residence" to mean a residential dwelling that provides primary housing for individuals who seek a cooperative living arrangement that supports personal recovery from a substance use disorder and that does not require licensure by the department or does not provide licensable services. Provides that a recovery residence may include, but is not limited to, residential dwellings commonly referred to as "sober living homes," "sober living environments," or "unlicensed alcohol and drug free residences." (HSC 11833.05)

FISCAL EFFECT: Unknown.

COMMENTS:

Author's statement: According to the author, "Although housing that does not require sobriety works for thousands of people who aren't yet ready to enter drug free housing, it doesn't work for everyone. There are thousands of people who want, and need, to live in a strictly sober living

arrangement, but they can't access it because this type of housing is limited and hard to find. This causes people to live in housing that is not best suited for their sobriety journey and puts them at a higher risk of falling back into homelessness. AB 1556 aligns California policy with federal policy briefs by recognizing that drug free housing is a component of the housing first model and should get some statewide funding.”

Homelessness in California: Based on the 2024 Point-in-Time count, 187,000 people experience homelessness on any given night California. Many of those people, 78%, or 143,900, 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 2024 PIT count. Homelessness grew at a higher rate in the nation (18%) than in California (3%) from 2023 to 2024, driven by a 25% jump in sheltered homeless in the US compared to 9% in California. The homelessness crisis is driven 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.

Housing First: Housing First is an evidence-based model that uses housing as a tool, rather than a reward, for recovery and that centers on connecting people experiencing homelessness to permanent housing as quickly as possible. Housing First is not housing only – people are offered services including mental health support, job training, and substance use treatment that are essential for maintaining long-term stability and preventing returns to homelessness. These supportive services are offered to support people with housing stability and individual well-being, but participation is not required, as services have been found to be more effective when a person chooses to engage.

Housing First is a bipartisan, evidence-based approach that was first adopted as federal policy during the George W. Bush Administration. Various studies support the efficacy of Housing First as a policy that ends homelessness. Evidence from a systematic review of 26 studies indicates that Housing First programs decreased homelessness by 88% and improved housing stability by 41%, compared to programs that require treatment first as a condition of housing. Clients in stable housing experienced a better quality of life and showed reduced hospitalization and emergency department use.¹

Three major studies of the Pathways to Housing program – one of the first Housing First programs in the U.S. – found that Housing First programs were more successful in reducing homelessness than abstinence-based programs. Seventy-nine percent of participants remained stably housed at the end of six months in Housing First programs, compared to 27% in the control group. After two years, Housing First participants spent almost no time experiencing homelessness, while participants in the city's residential treatment program spent on average 25% of their time experiencing homelessness. Participants in the Housing First model obtained housing earlier, remained stably housed after 24 months, and reported higher perceived choice

¹ <https://pmc.ncbi.nlm.nih.gov/articles/PMC8513528/>

than participants in abstinence-based programs. After five years, 88% of Pathways to Housing participants remained housed, compared to only 47% of the residents in the control group.² In 2016, the Denver Supportive Housing Social Impact Bond Initiative (Denver SIB), found that people who had experienced long-term homelessness, who struggled with mental health and substance use and who received supportive housing coupled with Housing First over treatment first spent significantly more time in housing. Most participants stayed housed over the long term, with 86% remaining housed for over one year, 81% for two years, and 77% for three years. Denver SIB also demonstrated that stable, supportive housing can decrease police interactions and arrests and disrupt the homelessness-jail cycle. Denver SIB participants experienced a 34% reduction in police contacts, 40% reduction in arrests, 30% reduction in unique jail stays, and a 27% reduction in total jail days.³

The High Cost of Housing: The high cost of housing is the cause of homelessness in California. Other states with higher rates of overdose but lower costs of housing report much lower rates of homelessness. West Virginia leads overdose deaths per capita, but has one of the lowest homelessness rates in the country. A study by the National Low Income Housing Coalition found that West Virginia has 50 affordable and available rental homes for every 100 extremely-low-income households, more than double the number that California has. A family in West Virginia can afford a two-bedroom rental on less than \$17 an hour – the second-lowest figure in the nation. In California a family would need more than \$40 per hour to be able to afford an average two-bedroom rental.

California needs an additional 2.5 million units of housing to meet the state’s need, including 643,352 for very low-income households and 394,910 for lower income households. Since 2018, California has permitted 890,000 units of new housing, with 126,000 of those being low- and very low-income units. The Legislature has passed major legislation in recent years to allow affordable housing to be built on almost any site in the state. However, the lack of housing overall and, in particular, the continued lack of sufficient affordable housing is a problem that is decades in the making.

Millions of Californians, who are disproportionately lower income and people of color, must make hard decisions about paying for housing at the expense of food, health care, child care, and transportation—one in three households in the state doesn't earn enough money to meet their basic needs. Currently, according to HDIS data, for every five individuals who access homelessness services in California, only one is housed each year, leaving four unhoused.

California Statewide Study of People Experiencing Homelessness (CASPEH): The University of California, San Francisco Benioff Housing and Homelessness Institute conducted the CASPEH, the largest representative study of homelessness since the mid-1990s and the first large-scale representative study to use mixed methods (surveys and in-depth interviews). They administered questionnaires to nearly 3,200 participants and conducted in-depth interviews with 365 participants. Their report provides evidence to help shape the state’s policy response to

² <https://nlihc.org/sites/default/files/Housing-First-Evidence.pdf#:~:text=%E2%80%93Evidence%20from%20a%20systematic%20review%20of,showed%20reduced%20hospitalization%20and%20emergency%20department%20use.>

³ <https://www.urban.org/research/publication/breaking-homelessness-jail-cycle-housing-first-results-denver-supportive-housing-social-impact-bond-initiative>

homelessness. The median age of participants was 47 (range 18-89). Participants who report a Black (26%) or Native American or Indigenous identity (12%) were overrepresented compared to the overall California population. Thirty-five percent of participants identified as Latino/x.

The report found that people experiencing homelessness in California are Californians. Nine out of ten participants lost their last housing in California; 75% of participants lived in the same county as their last housing.

The median monthly household income in the six months prior to homelessness across all CASPEH participants was \$960. Almost all participants met criteria to be considered “extremely low-income” or making less than 30% of the Area Median Income. Participants’ inability to afford housing was both the underlying cause of homelessness and the primary barrier to their returning to housing. Evidence and interviews with people who are experiencing homelessness show that a small amount of shallow subsidy could keep people from falling into homelessness. This finding was true throughout California, not only in the high-cost coastal regions.

Twenty percent of participants who reported current regular substance use indicated that they wanted treatment, but were unable to receive it. Evidence shows that substance use treatment is most effective among those who choose to engage with it. A higher proportion of individuals who used substances regularly live in unsheltered environments. There is a need for increased access for those who want it, particularly those in unsheltered settings. Promising models for low-barrier, outreach-focused services (including medication treatment) should be expanded.

Statue Funding to Address Substance Use: In March of 2024, the voters approved Proposition 1 to provide additional resources to treat people with behavioral health challenges and substance use disorders. The bond authorized \$6.4 billion in bonds to finance behavioral health treatment beds, supportive housing, community sites, and funding for housing veterans with behavioral health needs. The Department of Health Care Services (DHCS) will administer \$4.4 billion of these funds for grants to public and private entities for behavioral health treatment and residential settings. \$1.5 billion of the \$4.4 billion will be awarded only to counties, cities, and tribal entities, with \$30 million set aside for tribes.

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. Recovery housing, as currently defined under existing law, is not required to comply with Housing First requirements, although some elect to do so. This bill would define recovery residence as a residence that serves individuals experiencing, or who are at risk of experiencing, homelessness and who opt into a drug-free environment. The residence must satisfy the core components of Housing First; use substance use-specific, peer support, and physical design features that support individuals and families on a path to recovery from substance use disorders; emphasize abstinence; and offer tenants permanent or temporary housing. Recovery residences must have a written policy on what actions are taken if a residence returns to substance use. If relapse occurs, residents must be offered the option to move to a harm-reduction modelled housing. If the resident chooses not to move into harm-reduction housing, then the housing operator may move forward with an eviction.

Federal Department of Housing and Urban Development (HUD) Guidance: In 2015 HUD provided guidance to CoCs regarding the expected and effective operation of the subset of HUD-funded recovery housing programs to strengthen performance and improve the achievement of outcomes by these programs. HUD stated its intent was not to require CoCs to fund recovery housing but rather, in deciding whether to fund recovery housing, to consider the local conditions, including the existing housing inventory, the need, and the preferences of people being served. HUD’s guidance emphasized the need to provide people the option to choose either recovery housing or a harm-reduction model.

Housing First requires that housing providers follow landlord-tenant laws and that participants have a lease. HUD’s guidance for recovery housing maintains this requirement and states that relapse should not be a reason for eviction, and if people are evicted for “behavior that substantially disrupts or impacts the welfare of the recovery community,” individuals must be offered a harm-reduction option for housing. This is key to ensuring that people do not fall back into homelessness and waste valuable state and local resources.

Cal-ICH Guidance: Cal-ICH, the state’s lead entity for coordinating state efforts to prevent and end homelessness, has provided guidance on how recovery housing can comply with Housing First core principles.⁴ The guidance, “Implementing Recovery Housing in Alignment with California Housing First Requirements” published in January 2025, outlines four key principles that offer a roadmap for Recovery Housing Programs serving people experiencing homelessness as they navigate the path to recovery and stable housing:

- **Alignment with Housing First:** RHPs must meet the 11 core components of Housing First, including low-barrier access, voluntary services, tenant rights, and equitable screening and referral policies.
- **Person-Centered Care & Harm Reduction:** RHPs ensure participants are at the center of their service plans and are referred to the housing and services options that meet their needs. RHPs must accommodate the use of medication-assisted treatment (MAT) and incorporate evidence-based practices such as motivational interviewing and trauma-informed care.
- **Participant Choice:** Entry into RHPs must be voluntary (unless court-ordered). Programs must offer alternative housing options for individuals who decline or exit recovery housing.
- **Eviction for Relapse:** Programs cannot remove participants solely for substance use. Instead, relapse support should be offered and transitions to other appropriate housing facilitated when necessary.

Arguments in Support: The Bay Area Council writes in support, “AB 1556 codifies key elements of the ICH guidance and establishes a clear framework for recovery housing providers to maintain drug-free environments while ensuring residents who return to use remain connected to housing. The bill requires recovery residences to develop a written Return to Use Policy, approved by the National Alliance for Recovery Residences (NARR), and agreed to by prospective residents, which would ensure all residents understand a recovery housing project’s drug and alcohol policy, and steps the residence will take to address a return to use.”

⁴ [Housing First and Recovery Housing Cal ICH Guidance](#)

Arguments in Opposition: None on file.

Related Legislation:

AB 255 (Haney) (2025) would have created a process for abstinence-based housing for people experiencing homelessness to comply with the Core Components of Housing First and receive up to 10% state funding to local jurisdictions for homelessness. AB 255 was vetoed by the Governor. Below is the veto message:

I am returning Assembly Bill 255 without my signature.

This bill would create a new category of "supportive recovery residences," allow up to 10 percent of state homelessness funds to support them, and set up a new certification and oversight system.

Recovery-focused housing is an essential part of a comprehensive homelessness response, and California recognizes the value these programs provide individuals seeking support and stability. Current law already permits local jurisdictions to receive funding within the Housing First framework, and recent guidance allows support for recovery housing without creating a duplicative and costly new statutory category. Establishing a separate certification and oversight process wrongly suggests incompatibility with Housing First, while imposing fees that would not cover implementation costs.

California remains committed to advancing recovery housing within Housing First. I encourage the author and stakeholders to continue working with my Administration to strengthen these options in ways that complement, rather than complicate, the state's approach. Any broader programmatic changes, if warranted, should be considered holistically through the annual budget process.

For these reasons, I cannot sign this bill.

AB 2479 (Haney) (2024) allows state departments and agencies to allow programs to fund recovery housing if the state program uses at least 75% percent of funds for housing or housing-based services using a harm-reduction model, and the recovery housing. AB 2479 was held in the Senate Housing Committee.

AB 2893 (Ward) (2024) establishes a certification process for recovery homes and adds a standard for recovery homes that meets the state's Housing First requirements. AB 2893 was held in the Senate Appropriations Committee.

Double-Referred: This bill was also referred to the Assembly Committee on Health where it will be heard should it pass out of this committee.

REGISTERED SUPPORT / OPPOSITION:

Support

Mayor Daniel Lurie, City and County of San Francisco (Sponsor)
Bay Area Council (Co-Sponsor)

Opposition

None on file

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