Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON HEALTH
Mia Bonta, Chair
AB 1556 (Haney) – As Amended March 19, 2026

SUBJECT: Recovery residences: funding.

SUMMARY: Requires a recovery residence (RR) to meet specified requirements in order to be eligible for state funding including that residency is initiated by the resident and the resident is additionally offered at least one harm-reduction housing placement option, relapse is not cause for eviction and residents receive relapse support, and more. Defines the term RR for the purposes of this bill. Specifically, **this bill**:

1) Defines RR to mean, for the purposes of this bill, 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 (HF) pursuant to 4) of Existing Law below;

    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.

2) Requires an RR to meet all of the following in order to be eligible for state funding:

    a) The residence provides treatment and services that are participant driven and tailored to participant needs;

    b) Unless participation in recovery housing is court ordered, residency is initiated by the resident and the resident or their family is offered at least one harm-reduction housing placement option and the resident or family chooses an RR instead of housing offering a harm-reduction approach, which do not have to be available for move in at the same time;

    c) Relapse is not cause for eviction from housing and residents receive relapse support;

    d) The residence supports, and does 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 are not limited to, buprenorphine, methadone, and naltrexone;

    e) The residence provides 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;

f) The residence has consent and confidentiality protections for its residents consistent with applicable state and federal law, including, but not limited to 7) of Existing Law below; and,

g) The residence adopts 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:

   i) A clear articulation of the recovery housing's policy on the possession and use of alcohol, cannabis, and other controlled substances;

   ii) Contact information for treatment providers, mutual aid supports, and recovery coaches that can be contacted for additional support;

   iii) An explanation that the residence's standard response to a resident's return to substance use will not be punitive in nature;

   iv) An explanation of the steps the residence will take to address a resident's return to use;

   v) 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;

   vi) A prohibition on the eviction or discharge of a resident for a return to use related program violation unless both of the following conditions are met:

      (1) The resident rejects a warm handoff to long-term supportive housing and the RR offers at least one additional warm handoff to an emergency shelter, interim supportive housing, or an appropriate level of care consistent with the American Society of Addiction Medicine (ASAM) criteria, and the resident rejects all offers; and,

      (2) If the resident rejects the warm handoff offers described in (1), the residence may proceed with an eviction or discharge of the resident.

   vii) A requirement that all prospective residents agree to the residence's return to use policy as a condition of residency.

3) Makes findings and declarations regarding homelessness and substance use in California.

EXISTING LAW:

1) Establishes the Department of Health Care Services (DHCS) as the sole licensing authority for alcohol or other drug recovery or treatment facility (RTFs). Permits new licenses to be issued for a period of two years and requires DHCS to conduct onsite program visits for compliance at least once during the two-year licensing period. [Health and Safety Code (HSC) § 11834.01]

2) Defines RTF to mean a premises, place, or building that provides residential nonmedical services to adults who are recovering from problems related to alcohol, drug, or alcohol and drug misuse or addiction, and who need alcohol, drug, or alcohol and drug recovery, treatment, or detoxification services. [HSC § 11834.02]

3) Defines RR as a residential dwelling that provides primary housing for individuals who seek a cooperative living arrangement that supports personal recovery from a substance use disorder (SUD) and does not require DHCS licensure or does not provide RTF licensable services. Requires any certified program or licensed RTF to disclose to DHCS if any of its agents, partners, directors, officers, or owners, including a sole proprietor and member, has ownership or control of, or financial interest in, an RR. Permits an RR to include, but not be limited to, residential dwellings commonly referred to as "sober living homes (SLHs)," "sober living environments," or "unlicensed alcohol and drug free residences." [HSC § 11833.05(f)]

4) Requires California agencies and departments administering state programs created on or after July 1, 2017, to collaborate with the California Interagency Council on Homelessness (Cal ICH) to adopt or revise guidelines and regulations to incorporate HF core components, except for the Returning Home Well Program, Specialized Treatment for Optimized Programming Program, and Long-Term Offender Reentry Recovery Program, all of which are administered by the California Department of Corrections and Rehabilitation (CDCR) and fund "recovery housing." Defines "state programs" as those that a state entity funds, implements, or administers to provide housing or housing-based services to people experiencing or are at risk of homelessness. [Welfare and Institutions Code (WIC) § 8255 and § 8256]

5) Defines HF to mean the evidence-based model that uses housing as a tool, rather than a reward, for an individual's recovery, and that centers on providing or connecting homeless people to permanent housing as quickly as possible. Specifies that HF employs various core components that include such things as engaging tenants in services informed by a harm-reduction philosophy and recognize drug and alcohol use and addiction as a part of tenants' lives; engage tenants in nonjudgmental communication about drug and alcohol use; and offer education to avoid risky behaviors and engage tenants in safer practices with connection to evidence-based treatment, if tenants so choose. [WIC § 8255(b and d)]

6) Defines "recovery housing" to mean sober living facilities and programs that provide housing in a recovery-focused and peer-supported community for people recovering from SUD issues. Makes participation for tenants voluntary, unless it is ordered by a court or is a condition of release for individuals under the jurisdiction of a county probation department or the CDCR. [WIC § 8256(c)(3)]

7) Establishes federal standards protecting sensitive health information from disclosure without patient's consent under the Health Insurance Portability and Accountability Act (HIPAA). [Public Law 104-191 and Part 2 of Title 42 of the Code of Federal Regulations]

FISCAL EFFECT: Unknown. This bill has not been analyzed by a fiscal committee.

COMMENTS:

1) **PURPOSE OF THIS BILL.** 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. The author contends 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. The author argues this bill aligns California policy with federal policy briefs by recognizing that drug free housing is a component of the HF model and should get some statewide funding.

2) **BACKGROUND.**

   a) **Prevalence of SUD in California.** A 2024 publication from Health Management Associates and the California Health Care Foundation titled, "Substance Use Disorder in California — a Focused Landscape Analysis" reported that approximately 9% of Californians ages 12 years and older met the criteria for SUD in 2022. According to the report, the prevalence of SUD among individuals 12 years of age and older increased to 8.8% in 2022 from 8.1% in 2015. While the health care system is moving toward acknowledging SUD as a chronic illness, only 6% of Americans and 10% of Californians ages 12 and older with an SUD received treatment for their condition in 2021. More than 19,335 Californians ages 12 years and older died from the effects of alcohol from 2020 to 2021, and the total annual number of alcohol-related deaths increased by approximately 18% in the state from 2020 to 2021. Overdose deaths from both opioids and psychostimulants (such as amphetamines), are soaring. This issue, compounded by the increased availability of fentanyl, has resulted in a 10-fold increase in fentanyl related deaths between 2015 and 2019. According to the Overdose Prevention Initiative, 7,847 opioid-related overdose deaths occurred in California in 2023, and preliminary data shows 5,030 opioid-related overdose deaths in 2025.

   b) **RRs.** An RR is a residence for people in recovery from SUDs. It may serve as support for individuals undergoing treatment but it does not provide treatment or care, whether medical or non-medical. The state laws and licensing requirements that govern treatment and care facilities do not currently include RRs. Therefore, the state does not keep any list of registered RRs, conduct inspections of RRs, or perform any of the other activities associated with licensing facilities. According to NARR, its standard defines the spectrum of recovery-oriented housing and services and distinguishes four residence types referred to as "levels" or "levels of support." The standard was developed with input from major regional and national recovery housing organizations, recovery residence providers from across the nation representing all four levels of support, and nationally recognized recovery support stakeholders. The NARR Standard provides guidance for certifying effective RRs and incorporates the collaborative values of acute care and social models of recovery. The standard is built on the lived experience of operators and residents, not the decisions of an external accreditation body. Resident wellness and opportunities to enhance recovery are at the forefront of the Standard.

      An RR may be completely self-governed or have formal on-site management, but in the latter case, the managers' duties relate to the administration of the house rather than the

tenants or their recovery. The tenants of an RR pay rent and abide by house rules, which include maintenance of sobriety and participation in a self-help program. In 2016 the California Research Bureau estimated that there were at least 12,000 sober living beds, like those offered in RRs, in the state to serve an eligible population of between 25,000 and 35,000 individuals. A 2021 article "Estimating the Number of Substance Use Disorder Recovery Homes in the United States" estimates 2,432 recovery homes in California. If an RR is providing any licensable services then it must obtain a valid RTF license from DHCS.

Recovery housing, as currently defined under existing law, is not required to comply with HF requirements, although some may do so. This bill would require an RR to comply with HF, which means that although the provider of the housing could emphasize abstinence, an individual would be offered options and would choose recovery housing over a harm-reduction approach; participation would be self-initiated; relapse is not cause for eviction from housing and tenants receive relapse support; and the residence has a clear return to use policy.

c) **HF.** Research indicates that evidence-based approaches like supportive housing – affordable housing coupled with wrap-around services – resolves homelessness for many individuals. In addition, the state has a policy of HF, 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 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.

d) **Harm Reduction.** According to the National Institutes of Health (NIH) website, harm reduction is a strategy that aims to reduce the harms associated with certain behaviors. The National Institute on Drug Abuse (NIDA) reports that decades of research have shown that some harm reduction strategies provide significant individual and public health benefits, including preventing deaths from overdoses and preventing transmission of infectious diseases among people who use drugs and the larger community. Others reduce emergency department visits and costly healthcare services, while in some cases offering people who use drugs opportunities to connect to substance use treatment and other health care services in settings relatively free of stigma. NIDA says that, as a model of substance use care distinct from treatment or recovery support, harm reduction was created by and for people who use drugs to improve health and wellbeing, including during active drug use.

e) **Cal ICH guidance**. As the state's lead entity on homelessness policy, Cal ICH is responsible for working with state departments, agencies, and partners to ensure effective implementation and compliance with California's HF law. This includes providing technical assistance, policy guidance, and oversight to promote alignment across programs that receive state homelessness funding, including recovery housing. All programs with the purpose of providing housing and housing-based services to people

experiencing or at risk of homelessness that are funded, implemented, or administered by the state are required to adopt the HF requirements, including state-funded recovery housing. In July 2025, Cal ICH released guidance for implementing recovery housing in alignment with California's HF requirements. The guidance contains, in part, the following:

i) **Alignment with HF:** recovery housing must meet the 11 core components of HF, including low-barrier access, voluntary services, tenant rights, and equitable screening and referral policies;

ii) **Person-Centered Care & Harm Reduction:** recovery housing ensures participants are at the center of their service plans and are referred to the housing and services options that meet their needs. Recovery housing must accommodate the use of medication-assisted treatment (MAT) and incorporate evidence-based practices such as motivational interviewing and trauma-informed care;

iii) **Participant Choice:** Entry into recovery housing must be voluntary (unless court-ordered). Programs must offer alternative housing options for individuals who decline or exit recovery housing; and,

iv) **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.

3) **SUPPORT.** San Francisco Mayor Daniel Lurie is the sponsor of this bill and states in support that the city currently has more than 3,600 shelter beds and crisis intervention units, as well as nearly 15,000 units of permanent housing. Despite this system, the Mayor argues that it is not enough. Putting an end to homelessness is going to take a multi-faceted approach, and a key piece of the system is abstinence-based housing for those in the midst of their recovery journey. The mayor concludes that we must expand funding availability for abstinence-based options.

   The Bay Area Council also supports this bill stating that RRs are an evidence-based intervention for homeless individuals who seek sober environments to support their recovery from addiction. According to the 2025 ICH Guidance, existing state law allows for state homeless programs to fund drug-free temporary and permanent housing, known as recovery housing or RRs, for people experiencing homelessness or at risk of becoming homeless and who seek drug-free environments. To maintain and protect drug-free environments, recovery residences may be required to occasionally transfer residents who return to substance use to alternative housing. The Bay Area Council argues that current law provides no mechanism for RRs to execute these transfers. Without the ability to transfer residents who return to use, RRs are unable to guarantee the drug-free environments sought after and expected by residents and their families. The Bay Area Council concludes this bill 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.

4) **OPPOSE UNLESS AMENDED.** A coalition including the Corporation for Supportive Housing, Housing California, Housing is a Human Right – Orange County, the National Alliance to End Homelessness, Public Advocates, the Western Center on Law and Poverty,

and Western Regional Advocacy Project opposes this bill unless amended stating that it is unnecessary to achieving the goal of offering people with SUDs with a choice of abstinence-based housing in their recovery. This bill would undermine the state's HF laws and Cal ICH guidance, while also allowing state homelessness funding to pay for practices proven to yield poor outcomes. The coalition argues that HF is the only evidence-based solution to homelessness. Study after study shows subsidized permanent housing, not preconditioned on participation in services or a program, along with person-centered, evidence-based intensive services, works to help people exit homelessness for good. The coalition is requesting amendments to (1) include a cap on how much money awarded to each jurisdiction could be used for recovery housing programs of 10% of any state housing or homelessness program and compare costs and outcomes of this model to models following evidence-based harm reduction principles, (2) remove the "return to use" provisions, (3) to remove the ability of the state to fund transitional housing, and (4) include additional provisions to regarding tenant-landlord protections.

5) **DOUBLE REFERRAL.** This bill is double referred; it was heard in the Assembly Housing and Community Development Committee on April 15, 2026 and passed by a vote of 12-0.

6) **PREVIOUS LEGISLATION.**

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

"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 HF 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 HF, while imposing fees that would not cover implementation costs. California remains committed to advancing recovery housing within HF. 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."

b) SB 1339 (Allen) of 2024 would have required DHCS, by January 1, 2027, to establish a voluntary certification program for "supportive community residences" (SCRs) using HF core components. SB 1339 was not heard in the Assembly Health Committee.

c) AB 2479 (Haney) of 2024 was substantially similar to this bill in its HF provisions, but did not include the provision requiring DHCS to certify SCRs. AB 2479 was not heard in the Senate Housing Committee.

d) AB 1098 (Daly) of 2021 would have required the Secretary of California Health and Human Services to develop and publish on DHCS's website consensus-based guidelines and nationally recognized standards for counties to use to promote the availability of

high-quality RRs. AB 1098 was held on the Assembly Appropriations Committee suspense file.

e) AB 1220 (Luz Rivas) Chapter 398, Statutes of 2021 restructures the Homeless Coordinating and Financing Council (HCFC), such as renaming it Cal ICH; removing all required members that are not department or agency heads and placing them on an advisory board that includes Legislative appointees and a person who has experienced homelessness; and, requiring it to meet regularly with the advisory board and seek its counsel.

f) SB 992 (Hernández) Chapter 784, Statutes of 2018 requires programs licensed or certified by DHCS to disclose business relationships with RRs. SB 992 also made changes and improvements in DHCS's licensing requirements for RTFs.

g) SB 1380 (Mitchell), Chapter 847, Statutes of 2016 established HF in this state and created the HCFC.

h) SB 1283 (Bates) of 2016 would have permitted a city, county, or city and county to adopt by ordinance a registration process, health and safety standards, enforcement mechanisms for structured SLHs. SB 1283 was not heard in the Senate Health Committee.

7) **POLICY COMMENT.** This bill, as proposed to be amended below, prohibits eviction or discharge for a violation of the "return to use" program unless the resident rejects an offer of a warm hand off to permanent housing, and a subsequent offer for a warm hand off to interim housing or an appropriate level of care consistent with the ASAM criteria. The author's office is said to be working with the Administration following the veto of AB 255 (Haney) of 2025, though it's not clear whether the offer of a "warm handoff" meets the criteria for "transition to other appropriate housing, and facilitating when necessary," as provided in the guidance. Should this bill move forward, the author may wish to explore with the administration whether the facilitation of appropriate housing is clearly contained in this bill. Additionally, both the guidance and this bill make reference to RRs providing "services." Should this bill move forward, the author may wish to consider collaboration with the administration to ensure there is not room for RRs to provide any treatment or recovery services that would be subject to licensure by DHCS.

8) **AMENDMENTS**. In order to meet legislative deadlines, the previous committee shared the following amendments, which will be adopted:

a) Update the findings and declarations to reference Cal ICH guidance rather than a federal policy brief;

b) Require the warm handoff offer prior to eviction or discharge to be to permanent housing rather than long-term supportive housing; and,

c) Require the second offer of a warm handoff, after a rejection of the first, to be to interim housing or an appropriate level of care, pursuant to ASAM, rather than to an emergency shelter, interim supportive housing, or an appropriate level of care, pursuant to ASAM.

REGISTERED SUPPORT / OPPOSITION:

Support

Mayor Daniel Lurie, City and County of San Francisco (sponsor)
Bay Area Council
California Consortium of Addiction Programs and Professionals
DignityMoves
National Association of Minority Contractors Northern California
Santa Rosa YIMBY

Opposition

None on file

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