

- 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 specified.
 - e) The use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction.
- 5) Establishes the Homeless Housing Assistance and Prevention Program (HHAPP) to provide funds to help local jurisdictions combat homelessness.

This bill:

- 1) Defines “recovery housing” as housing in a residence that serves individuals who seek a cooperative living arrangement that supports personal recovery from a substance use disorder and that does not require licensure or does not provide licensable services who are experiencing, or who are at risk of experiencing, homelessness and who opt into a drug-free environment. 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.”
- 2) Provides that a recovery residence may be eligible for state funding if it meets all of the following requirements:
 - a) The residence satisfies the core components of Housing First.
 - b) The residence 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) The residence emphasizes abstinence.
 - d) The residence offers tenants permanent housing or program participants interim housing.

- e) The residence provides nonclinical services that are participant driven and tailored to participant needs and facilitates voluntary access and linkages to licensed treatment providers and services.
- f) Unless participation in recovery housing is court ordered, residency is initiated by the tenant or program participant and the tenant, the program participant, or their family is offered at least one harm-reduction housing placement option and the resident or family chooses a recovery residence instead of housing offering a harm-reduction approach.
- g) Relapse is not, unless there is another lease violation, grounds for eviction from recovery housing and residents receive relapse support.
- h) 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, as specified.
- i) 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.
- j) The residence has consent and confidentiality protections for its residents consistent with applicable state and federal law, as specified.
- k) 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. The return-to-use policy shall 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. An explanation that if a tenant of a permanent recovery residence or permanent supportive housing is no longer interested in living in the residence or housing, or is at risk of eviction for violating the return-to-use policy, the residence shall allow the resident to reside in the residence until the operator secures the tenant another permanent housing placement option operated with harm-reduction principles that is also permanent housing and provides a comparable level of supportive services. If the tenant rejects the offer of a housing placement option, the operator may evict the tenant.
 - vii. An explanation that if a program participant in an interim recovery residence is no longer interested in living in the residence, or is at risk of discharge for violating the return-to-use policy, the residence shall allow the program participant to remain in the residence until the operator secures the program participant placement in interim housing operated with harm-reduction principles that is also interim housing and provides a comparable level of supportive services. If the resident rejects the offer of another housing placement option, the operator may discharge the program participant.
- 1) The residence discloses applicable rules, behavioral expectations, participation requirements, and program policies to prospective residents or participants through lease agreements, intake materials, resident handbooks, program agreements, or other program documentation, as appropriate.
 - 3) Requires, if an unlawful detainer proceeding is initiated for an alleged violation of a lease provision agreement or program requirement, the facility operator to submit documentation of the alleged lease violation to the local grantor of state funds.
 - 4) Requires, if a program participant is discharged for an alleged violation of any program requirement, the facility operator to submit documentation of the alleged violation to the local grantor of state funds.
 - 5) Provides that, for purposes of state and federal housing law, including, but not limited to, the federal Fair Housing Act and the federal Americans with Disabilities Act of 1990, a recovery residence is a housing provider and not a treatment facility solely on the basis of providing nonclinical services.

- 6) Provides that participation in recovery residence programs and eligibility for state or local funding shall not be conditioned on the provision of clinical treatment services by the residence.

Background

Homelessness: stats and causes. According to the most recent point in time (PIT) count, 187,084 people were experiencing homelessness in California—representing 24% of the nation’s homeless population. Two-thirds of the homeless population in California is unsheltered. Over half (51%) of all unsheltered people in the United States were in California. A lack of affordable housing is the biggest contributor to homelessness. As housing costs continue to rise, rent becomes less affordable for lower-income households, who are forced to live beyond their means (paying more than 30% of income on housing costs) or are pushed out of their homes, leading to rapid increases in homelessness. Variation in rates of homelessness cannot be explained by variation in rates of individual factors such as poverty or mental illness; conversely, cities with higher rents and lower rental vacancy rates (i.e., tighter housing markets) *are* directly linked to higher per capita rates of homelessness.

The lack of affordable housing plays a significant role in causing individuals to become homeless and creates obstacles for individuals experiencing homeless to transition into stable housing. The need for, and costs of, housing have consistently outpaced the development of affordable housing for over 30 years. As of 2022, working at the minimum wage of \$15/hour, a renter has to work 83 hours each week to afford a modest one-bedroom rental home at Fair Market Rent in California. The lack of supply is the primary factor underlying California’s housing crunch. To keep up with demand, HCD estimates that California must plan for the development of more than 2.5 million homes over the next eight years, and no less than one million of those homes must meet the needs of lower-income households (more than 640,000 very low-income and 385,000 low-income units are needed). For decades, not enough housing was constructed to meet need, resulting in a severe undersupply of housing. New construction of housing, both single family homes and apartments, continues to lag behind historical averages, and lags further behind the number of new units needed to meet housing demand.

Comments

- 1) *Author’s statement.* “Although housing that does not require sobriety works for thousands of people who are not yet ready to enter recovery housing, it does not work for everyone. There are thousands of people who want, and need, to live in a drug-free recovery environment, but access to this type of housing remains

limited. As a result, many people are forced to live in housing that is not best suited to their recovery journey, increasing the risk of relapsing, overdose, and homelessness. AB 1556 recognizes that drug-free recovery housing is a critical component of the Housing First model and ensures these programs can access state funding while maintaining the recovery environments residents and families depend on.”

2) *What are the primary solutions to ending and preventing homelessness?*

Simply put, we need more housing; more housing at all income levels, and in particular, more housing affordable to the lowest income earners. According to the United States Interagency Council on Homelessness, in a May 2019 report, “when housing costs are more affordable and housing opportunities are more readily available, there is a lower likelihood of households becoming homeless, and households who do become homeless can exit homelessness more quickly and with greater likelihood of sustaining that housing long-term. To reduce the negative impacts of housing instability, and to end homelessness as quickly and efficiently as possible, communities are increasingly focused on expanding the supply of housing that is affordable to renter households at lower income levels, as well as ensuring that people experiencing and exiting homelessness have access to such housing.”¹

3) *What is the state doing to end and prevent homelessness?* Traditionally, homelessness responses in California were considered the responsibility of the federal and local governments (cities, counties, and CoCs). This included financing, land use policies, tenant protections, physical and behavioral health services, social services, and more. Within the past decade, the State began playing a more active role in the homelessness response system by investing more heavily in prevention and response programs, streamlining the production of affordable housing, and facilitating greater coordination across state and local/regional sectors. California operates several programs that provide loans, grants, and tax credits to developers and local governments for the creation, rehabilitation, and preservation of affordable housing. The State also has several homeless assistance programs that have been updated, expanded, and streamlined over the past decade or longer—many of which receive funds or supplement funds from the federal government.

Beginning largely in 2017, the State of California and the voters have taken significant steps to invest billions of dollars for affordable housing construction, homeownership opportunities, and flexible homelessness solutions, as well as

¹ *The Importance of Housing Affordability and Stability for Preventing and Ending Homelessness*. (US Interagency Council on Homelessness, May 2019). https://www.usich.gov/resources/uploads/asset_library/Housing-Affordability-and-Stability-Brief.pdf

investments in infrastructure necessary to support these projects. The Legislature has also created streamlined development approval processes and reduced opportunities for local governments to disapprove quality permanent housing projects and homeless shelters, which has sped-up the approval of these processes, and reduced costs associated with unreasonable project delays. Further, the state has increased planning requirements to ensure that local governments create an environment to facilitate the creation of housing, and in particular, affordable housing, and has provided grants directly to local governments for these purposes.

According to Cal-ICH, between 2017 and 2020, CoCs across California have increased efforts to address the homelessness crisis by serving 40% more people experiencing homelessness (176,412 in 2017 compared to 246,142 in 2020)². In many areas of the state, despite these efforts, for every person housed, another two fall into homelessness. There is no denying more can and should be done; however, with limited resources and looming budgetary challenges, the state should focus limited investments on evidence-based programs that ensure housing stability.

- 4) *Seeing results.* Despite the sobering data, California's state investments and policy decisions are working. From 2023-2024, the nation as a whole experienced an increase in homelessness eight times larger than the increase in California. During the same period, California had the largest reduction in the number of veterans experiencing homelessness in the nation, with 1,279 fewer veterans experiencing homelessness on a single night in January in 2024 than in 2023 (8% reduction year over year). Furthermore, California had the largest reduction in the number of unaccompanied youths experiencing homelessness in the nation, with 1,121 fewer unaccompanied youth experiencing homelessness on a single night in January 2024 than in January 2023.

Individual jurisdictions also reported decreases in homelessness numbers:

- a) Riverside County: 19% decrease in unsheltered homelessness
- b) Los Angeles County: 9.5% decrease in unsheltered homelessness, 4% decrease total
- c) San Bernadino County: 10.2% decrease in total homelessness
- d) San Diego County: 7% decrease in total homelessness
- e) City of Los Angeles: 7.9% decrease in unsheltered homelessness, 3.4% decrease total
- f) Bakersfield's Continuum of Care: 2.3% decrease in total homelessness

² California Interagency Council on Homelessness. "Homeless Data Integration System". (2021)
<https://besh.ca.gov/calich/hdis.html>

According to the UCSF Benioff Homelessness and Housing Initiative (UCSF Benioff), the reason for the reduction in veteran homelessness in California is because California has adequately scaled the evidence-based responses which include Housing First, and housing subsidies paired with appropriate services. The same conclusion can be reached for the reduction in homeless youth numbers, given consistent youth set asides in key programs (HHAPP and Homekey) for this population. UCSF Benioff notes that while the overall increase in homelessness numbers is lower than the national trend, the enormous number of people experiencing homelessness in California reflects the ongoing crisis caused by the lack of affordable housing in California.

That said, state funds have allowed California's homeless response providers to serve more people than ever before:

- a) In 2024, providers served 356,660 Californians, over 20,000 more Californians than in 2023.
 - b) In the first half of 2025, providers served 265,716 Californians, including: 176,101 individuals and 88,373 people in families with children, of which 38,496 were unaccompanied youth.
- 5) *What is Housing First?* Housing First approaches homelessness by providing permanent, affordable housing for families and individuals as quickly as possible, then providing supportive services to prevent their return to homelessness. This strategy is the evidence-based model that focuses on the idea that homeless individuals should be provided shelter and stability before underlying issues can be successfully addressed. Under the Housing First approach, anyone experiencing homelessness should be connected to a permanent home as quickly as possible, and programs should remove barriers to accessing the housing, like requirements for sobriety or absence of criminal history. It is based on the “hierarchy of need;” people must access basic necessities—like a safe place to live and food to eat—before being able to achieve quality of life or pursue personal goals. Housing First values choice in not only where to live, but whether to participate in services. This approach contrasts to the “housing readiness” model, which requires people to address predetermined goals before obtaining housing. In other words, housing readiness means housing is “earned” and can also be taken away, thus returning to homelessness.
- 6) *Housing First efficacy.* 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.³

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 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.⁴

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.⁵

Housing First was embraced by California in 2015 through SB 1380 (Mitchell, Chapter 847, Statutes of 2016), which requires all housing programs in the state to adopt this model.

7) *What type of housing is considered Housing First?* Programs using Housing First generally fall into two categories:

³ <https://pmc.ncbi.nlm.nih.gov/articles/PMC8513528/>

⁴ <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.>

⁵ <https://www.urban.org/research/publication/breaking-homelessness-jail-cycle-housing-first-results-denver-supportive-housing-social-impact-bond-initiative>

- a) Supportive housing, which is a home that is made affordable through long-term rental assistance, paired with intensive services promoting housing stability.
 - b) Rapid re-housing, which connects a family or individual to a home affordable through short-to medium-term rental assistance, along with moderate services designed to allow that household to increase their income sufficiently to be able to afford the apartment over the long-term.
- 8) *What is the recovery housing model?* Recovery housing is a model that is abstinence-focused and offers peer supports for people recovering from substance abuse issues. These homes are not licensed or regulated by DHCS or any other state or local government. After treatment for substance abuse, whether by prison, hospital-based treatment programs, or therapeutic communities, many patients return to former high-risk environments or stressful family situations. Returning to these settings without a network of people to support abstinence increases chances of relapse. As a consequence, alcohol and substance use recidivism following treatment is high for both men and women. Recovery housing offers participants an option to live with other abstinence-focused residents while being offered supports through the recovery process.
- 9) *Federal guidance regarding recovery housing.* The U.S. Department of Housing and Urban Development (HUD) guidance for recovery housing or “sober living environment” (e.g., the supportive community residences contemplated in this bill) emphasizes the Housing First approach, but also recognizes the importance of providing “individual choice to support various paths towards recovery.” Some people pursuing recovery from addiction express a preference for an abstinence-focused residential or housing program where they can live among and be supported by a community of peers who are also focused on pursuing recovery from addiction – environments that are provided by recovery housing programs. However, the HUD guidance states that supporting individual choice must also mean that a community is ensuring that housing options are available for people at all stages of recovery, including people who continue to use drugs or alcohol.⁶ In other words, if a person chooses an abstinence-focused/sober living program and relapses, in order to comply with Housing First principles, the relapse alone should not be treated as an automatic cause for eviction or termination.

⁶ “Recovery Housing Policy Brief”. (United States Department of Housing and Urban Development, December 2015). <https://files.hudexchange.info/resources/documents/Recovery-Housing-Policy-Brief.pdf>

10) *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.⁷ 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 (RHPs) 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 options and services that meet their needs. RHPs must accommodate the use of medication-assisted treatment 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.* RHPs cannot remove participants solely for substance use. Instead, relapse support should be offered and transitions to other appropriate housing facilitated when necessary.

11) *If at first you don’t succeed...* Despite clear federal guidance and state guidance issued by Cal-ICH, the sponsors are seeking statutory changes to allow for recovery housing. The two prior attempts to do this were AB 2893 (Ward, 2024) and AB 255 (Haney, 2025). Those bills would have allowed up to 10% of state homelessness funds to be used for recovery housing programs, provided these programs met requirements aligned with the major components of HUD’s guidance. Those bills, following the inclusion of amendments taken by the Senate Housing Committee, also provided layers of protection to provide tenants with choice, while also providing flexibility for a tenant to relapse without losing their housing and returning to the streets. Specifically, both bills required tenants to have a lease and comply with landlord-tenant law, consistent with permanent supportive housing units. At the time of entering housing, people experiencing homelessness would have to be offered a choice between recovery housing – which emphasizes sobriety – and harm-reduction housing

⁷ [Housing First and Recovery Housing Cal ICH Guidance](#)

(e.g., permanent supportive housing). Additionally, eviction from a recovery housing program could only occur when a tenant's behavior substantially disrupts or impacts the welfare of the RHP in which the tenant resides, and that eviction could not occur solely on the basis of relapse. This is because relapse is a common experience for people recovering from substance abuse. If an eviction is initiated, the operator must submit documentation to the local CoC or other grantee. Lastly, both bills required periodic state monitoring and that grantees confirm that they are meeting successful outcomes in promoting housing retention rates analogous with housing first models.

AB 2893 was held in Senate Appropriations and AB 255 was vetoed by the Governor. The veto message noted that recovery housing is already permitted under current law and encouraged the stakeholders to work with his administration moving forward.

This bill attempts to codify the Cal-ICH Recovery Housing guidance by incorporating the 4 key components (e.g., alignment with housing first principles, person-centered care and harm reduction, participant choice, and eviction protections). It also incorporates critical, evidence-based guardrails designed to keep people stably housed while on the path to recovery; namely, program participants must choose recovery housing, relapse without other lease violations shall not be grounds for eviction, and residents must receive relapse support. Should a resident choose to leave the program or is at risk of eviction, the resident shall reside at the program until another housing placement is secured by the operator. Any eviction proceedings shall be reported to the grantor of the state funds, along with documentation for the alleged violation.

Unlike the two prior bills, this bill does not cap state funds from serving recovery housing, nor is there is a recovery housing certification process.

12) ***Let's be clear.*** In order to promote clarity and consistency with prior agreements with this Committee, the author has agreed to the following amendments:

- a. **Remove a reference to eviction solely on the basis of possession of drugs or alcohol.** The rest of the bill states otherwise, and this adds confusion around resident protections.
- b. **If a local grantor receives documentation of any alleged recovery housing program violations and notices of any eviction proceedings for a resident, as required in the current version of the bill, the local grantor shall remit that information to the appropriate state funding agency.** State homelessness programs require locals that receive funds to submit annual reports as a condition of funding. Both prior versions of

this bill included a state oversight component. This amendment will ensure that information related to evictions will be received by the state, but not change or add any additional requirements on local recipients of state funds. The intent is for local grantors to merely copy what they receive from recovery housing programs and send to the state with their existing funding reports.

- c. **Replace references to “recovery residence” with “recovery housing” to ensure consistency with the state Cal-ICH guidance.**

13) *Opposition.* A coalition of homelessness organizations are opposed unless amended to this bill. They note that recent Cal-ICH guidance already allows the state to fund recovery housing that is consistent with existing California law, making this bill unnecessary. They are also seeking amendments to either codify the guidance directly, or modify the language with specific provisions to ensure consistency with existing Housing First laws.

14) *Double Referral.* This bill was also referred to the Senate Health Committee.

Related/Prior 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% of state homelessness funding. 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 2893 (Ward, 2024) — would have established a certification process for supportive community residences and adds a standard for supportive community residences that meets the state's Housing First requirements. *This bill was held in the Senate Appropriations Committee.*

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.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, June 17th, 2026.)

SUPPORT:

Bay Area Council (Sponsor)
Mayor Daniel Lurie, City and County of San Francisco (Sponsor)
San Francisco Marin Medical Society

OPPOSITION:

Buccola Family Homeless Advocacy Clinic
Cd11 Coalition for Human Rights
Corporation for Supportive Housing
Housing California
Housing Is a Human Right - Orange County
National Alliance to End Homelessness
Public Advocates
Western Center on Law & Poverty
Western Regional Advocacy Project

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