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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### AB 255 (Haney) - The Supportive-Recovery Residence Program

**Version:** June 26, 2025

**Urgency:** No

**Hearing Date:** August 29, 2025

**Policy Vote:** HOUSING 11 - 0

**Mandate:** No

**Consultant:** Mark McKenzie

**Bill Summary:** AB 255 would require the Department of Housing and Community Development (HCD) to establish a certification process for “supportive recovery residences” (SRRs), that provide abstinence-based housing for individuals with substance abuse disorders who are experiencing homelessness, as specified. The bill would also revise the components of Housing First and allow SRRs to qualify for up to 10% of state homelessness funding.

### \*\*\*\*\* ANALYSIS ADDENDUM – SUSPENSE FILE \*\*\*\*\*

The following information is revised to reflect amendments  
adopted by the committee on August 29, 2025

#### Fiscal Impact:

- HCD estimates first year costs of approximately \$4.12 million, which includes \$1 million for one-time contracting and IT systems improvements to set up the program, and ongoing annual costs of approximately \$3.12 million for 14.0 PY of full time staff to implement and administer an SRR certification and monitoring program. Specific duties include identifying eligible programs, updating regulations and contracts, training grantees, developing compliance and monitoring systems, and providing technical assistance. (primarily General Fund, with some support from the SRR Program Fund, established by this bill)
- Unknown certification fee revenues, likely in the low hundreds of thousands of dollars annually, which would be charged to SRRs seeking certification. These revenues would partially offset HCD's ongoing administrative costs. (SRR Program Fund)
- The California Interagency Council on Homelessness (Cal-ICH) estimates costs in the mid-hundreds of thousands of dollars annually in staff workload, including updating program guidelines and regulations, conducting periodic compliance monitoring of SRRs, and conducting interventions when violations occur. (General Fund)
- The California Department of Corrections and Rehabilitation (CDCR) anticipates costs of at least \$500,000 that would be added as paid reimbursements to CDCR's contracts with service providers for their certification fee and staffing cost increases resulting from the bill. CDCR also notes the potential for additional cost pressures, potentially in the low millions, to the extent that new certification requirements result in fewer available sub-contractor facilities and increases in waiting lists for program availability. (General Fund)

- The California Department of Social Services (CDSS) estimates ongoing costs of approximately \$200,000 annually for 1.0 PY of staff to establish new tracking mechanisms for utilization of CDSS funding on SRR programs, provide formal guidance and technical assistance to grantees, and monitor compliance and data collection to track implementation and outcomes. (General Fund)

**Author Amendments:**

- Authorize HCD, in addition to recent standards approved by the National Alliance for Recovery Residences (NARR), to adopt other broadly recognized national standards as the minimum standard for SRRs that receive public funding under the bill.
- Require HCD to verify that the NARR affiliate certifying SRRs ensures compliance with the core components of Housing First, as specified.
- Authorize HCD to charge a NARR affiliate an annual fee for verifying that SRRs comply with the core components of Housing First in an amount not to exceed the reasonable cost of administering the program, up to \$100 per unit approved as Housing First-certified.
- Require a grantee under the state program, prior to awarding subgrants, to confirm that the grantee's services support, and do not prevent or restrict, access to prescribed medications, including for mental health and substance abuse disorders.
- Require supportive housing and services to support a resident's access to and use of medications prescribed for behavioral or physical health conditions, as specified.
- Require supporting housing and services to provide overdose prevention and response training to staff and residents, and to make overdose reversal medication available and readily accessible to staff and residents on site.

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