

CONCURRENCE IN SENATE AMENDMENTS

AB 255 (Haney)

As Amended August 29, 2025

Majority vote

SUMMARY

Creates a process for abstinence-based housing for people experiencing homelessness to comply with the Core Components of Housing First and receive up to 25% state funding to local jurisdictions for homelessness.

Senate Amendments make the following changes:

- 1) Requires the Department of Housing and Community Development (HCD) rather than the Department of Health Care Services (DHCS) to verify that the NARR affiliate certifying SRRs ensures compliance with the core components of Housing First, as specified.
- 2) Authorize HCD to charge a National Alliance for Recovery Residences (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.
- 3) 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.
- 4) 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.
- 5) 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.

COMMENTS

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 better quality of life and showed reduced hospitalization and emergency department use. 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. 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.

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.

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 "supportive recovery residence" (SRR) for people who are homeless or at risk of experiencing homelessness who have 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 SRR 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, supportive recovery residences will ensure greater success for individuals to remain housed.

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 their 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 models.

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. This bill would allow up to 25% of funding available to address homelessness in each county to go toward SRR as long as 75% of funds go toward housing using a harm-reduction model. The harm reduction model is an approach aimed at minimizing the negative consequences associated with high-risk behaviors, particularly substance use, and adheres to Housing First. This bill incorporates the major components of HUD's guidance. People could not be evicted solely for relapse, they would be required to have a lease, and a SRR would have to comply with landlord-tenant law. If a person is evicted, the SRR would be required to connect them with housing that follows a harm-reduction model. Finally, at the time of entering housing, people experiencing homelessness would have to be offered a choice between SRR – which emphasizes sobriety – and harm-reduction housing (permanent supportive housing). SRRs would need to be certified by HCD to qualify for funding. HCD would certify that SRRs have in place the policies to conform to Housing First as outlined by 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. 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 255 aligns California policy with federal guidelines by recognizing that drug free housing is a component of the housing first model and should get some statewide funding."

Arguments in Support

According to San Francisco Mayor Daniel Lurie, a co-sponsor of this bill, "San Francisco currently has more than 3,600 shelter beds and crisis intervention units, as well as 11,500 permanent supportive housing units. These exist alongside outreach and prevention initiatives, relocation assistance, emergency housing vouchers, subsidies, and a robust coordinated entry system. Every night, the City puts a roof over the head of approximately 20,000 people, who would otherwise be living on the streets. Despite our extensive system-it is not enough. Putting an end to homelessness is going to take a multi-faceted approach, so that we can provide every individual with the treatment and housing that they need to recover. One of my top priorities is to drastically expand the number of shelter beds and crisis interventions in our City, so that we can get everyone off of the street and into housing. Additionally, a key piece of this system is abstinence-based housing for those who are in the midst of their recovery journey. We have to expand abstinence-based options; we never want someone to worry about jeopardizing their recovery in exchange for a roof over their head."

Arguments in Opposition

The Advocates for Reasonable Treatment are supportive of the goal of this bill but are opposed to the inclusion of NARR certification because it inserts a third party standard into statute.

FISCAL COMMENTS

According to the Senate Appropriations Committee:

- 1) 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)
- 2) 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)
- 3) 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)
- 4) 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)
- 5) 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)

VOTES:

ASM HOUSING AND COMMUNITY DEVELOPMENT: 12-0-0

YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Tangipa, Wicks, Wilson

ASM HEALTH: 15-0-1

YES: Bonta, Chen, Addis, Aguiar-Curry, Arambula, Carrillo, Flora, Mark González, Krell, Patel, Patterson, Celeste Rodriguez, Schiavo, Sharp-Collins, Stefani

ABS, ABST OR NV: Sanchez

ASM APPROPRIATIONS: 13-0-2

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ABS, ABST OR NV: Sanchez, Dixon

ASSEMBLY FLOOR: 79-0-0

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

SENATE FLOOR: 39-0-1

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNeerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Stern

UPDATED

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