AGN. NO. _____

MOTION BY SUPERVISOR LINDSEY P. HORVATH November 17, 2026

Protecting Residents and Communities from Unlawful Practices at Non-Clinical Recovery Residences

Recovery residences, commonly known as sober-living homes, are non-clinical housing sites that provide alcohol- and drug-free housing and peer support. They are an important bridge between treatment and independent living, providing stable recovery housing, especially for people leaving residential treatment, incarceration, hospitals, or homelessness. The National Study of Treatment and Addiction Recovery Residences (NSTARR)'s 2022 longitudinal study estimated that Los Angeles had 1.02 recovery residences per 100,000 population, ranking at 24th in per capita availability out of the 58 counties of California, suggesting concerningly low accessibility given the County population and projected housing needs. When operating solely as housing, without treatment, detoxification, counseling, recovery planning, or other clinical services, these residences are not licensed, certified, or routinely investigated by the California Department of Health Care Services (DHCS).

DHCS has sole authority to license adult residential substance use disorder recovery or treatment facilities that provide treatment services, and may investigate a

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recovery residence suspected of providing said services without a required state license. Other state agencies retain authority within their respective jurisdictions, (including the Attorney General), regarding unlawful or fraudulent business practices and employ state health care and insurance regulators overseeing the proper execution of health plan, insurance, and billing matters. However, California does not currently have a comprehensive statewide regulatory framework for recovery residences, creating an oversight gap that may be exploited by operators engaging in unsafe, fraudulent, or abusive practices. These practices have historically included malfeasant providers billing insurance or Medi-Cal for services that were not provided; or intentionally providing substances to keep residents addicted in order to continue billing, and upon discovery of misconduct, operators have used multiple "shell" corporations to conceal ownership or avoid enforcement. These are but a few examples of the bad acts perpetrated without oversight, many of which are capable of repetition, yet evading review.

At the local level, there are several entities with various responsibilities connected to the regulation and oversight of recovery residences. Within incorporated cities, each city is responsible, (either directly or through a contracted agency), for administering and enforcing applicable zoning, land-use, building, fire, business-licensing, property-maintenance, labor, and nuisance laws. Los Angeles County generally exercises comparable local authority in unincorporated areas, only.

The Department of Public Health's Substance Abuse Prevention and Control division (DPH-SAPC) leads the County’s publicly funded system of substance-use prevention, treatment and recovery services, and administers the County’s Drug Medi-Cal Organized Delivery System. DPH-SAPC administers County contracts with both

substance use disorder services providers, as well as with a small number of recovery residence providers; the latter also known as Recovery Bridge Housing (RBH) providers. DPH-SAPC monitors contractual agreements closely, with established standards, incident reports and can impose contractual remedies, if necessary. However, DPH-SAPC does not regulate privately operated recovery residences and can only monitor the subset of RBH providers who are directly contracted with DPH-SAPC.

Although DPH-SAPC is the primary County contracting agency for RBH, other County departments, (e.g., the Department of Mental Health (DMH) or the Department of Homeless Services and Housing (HSH)), may refer individuals to recovery residences and are responsible for coordinating and overseeing their own referral process and addressing concerns related to those referrals. Nonetheless, DPH-SAPC as well as DMH and HSH are under County jurisdiction collectively, and a ubiquitous approach to addressing this issue is obviously mutually beneficial for all parties.

A coordinated, risk-based approach can improve accountability by using existing complaints, permitting, code-enforcement, contracting, consumer-protection, litigation, and law-enforcement authority; prioritizing serious and repeat offenders; and referring matters outside County jurisdiction to the appropriate state or municipal agency.

I, THEREFORE, MOVE that the Board of Supervisors direct County Counsel, in consultation with the Department of Public Health Substance Abuse Prevention and Control (DPH-SAPC), the District Attorney (DA), the Department of Consumer and Business Affairs (DCBA), Regional Planning (RP), Public Works (DPW), the Fire Department, the Sheriff's Department, other relevant County departments, and engagement with community stakeholders, including substance use providers and

individuals with lived experience, report back in writing to the Board in 120 days with a coordinated, risk-based protocol for addressing alleged unlawful conduct by non-clinical recovery residences, within their respective jurisdictional authorities, including procedures for coordinating with and referring matters to the appropriate local, state, or federal enforcement authority. The protocol and any recommended options shall be consistent with the federal Fair Housing Act, the Americans with Disabilities Act, and the California Fair Employment and Housing Act, and shall target unlawful conduct rather than the disability status of residents. The protocol should include, but not limited to the following:

1. Complaint System: Provide details and recommendations to improve existing complaint systems that receive, document, and route allegations to the appropriate local, state, or federal enforcement authority.
2. Safeguards for Referrals: Within existing resources, develop uniform safeguards for privately operated, recovery residences that County-operated and County-contracted providers make referrals to.
3. Enforcement: Analyze enforcement criteria and make recommendations to improve existing business, building, fire, zoning, property-maintenance, consumer-protection, contracting, labor, and public-nuisance laws, as well as coordination with applicable state and federal enforcement authorities. This analysis should identify the jurisdiction and responsibilities of relevant agencies and recommend procedures for interagency coordination, information sharing, and referrals, including referral of suspected unlicensed recovery or treatment services to the California Department of Health Care Services (DHCS) and referral of appropriate

consumer-fraud, insurance-fraud, or criminal matters to the responsible enforcement authority. The analysis should include, but not limited to the following:

   a. Escalating enforcement options, as legally appropriate; and
   b. Procedures to protect residents affected by an emergency closure or other enforcement action, including coordination of safe relocation, transportation, medication continuity, naloxone access, and connection to appropriate housing or treatment when necessary.

4. Identify any additional options the County has at its disposal to regulate non-clinical recovery residences, including the pros and cons of those options.
5. Outline actions that can be implemented within existing resources, any legal or operational gaps, and any staffing or funding needs requiring separate Board consideration.

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