

Chairman King, Ranking Member Cohen, and members of the Subcommittee on the Constitution and Civil Justice:

Thank you for holding this hearing. Before I begin, I will note that I have received testimony from dozens of my constituents about this issue and how it affects their lives. I ask that these statements be included into the hearing record. I also have letters elected officials in several cities in my district reporting how they have been affected by this problem. I ask that they too be included into the record.

As you are all aware, our country is enduring a crippling opioid abuse epidemic. Many of our fellow citizens of all ages and social status are struggling, painfully seeking ways to end their dependence on pills that have, all too often, legally flooded our towns, cities, and rural communities.

I come before you today to discuss the impact that this challenge has had on many suburban communities, including those in my district in Orange County, California. In fact, the implication of this addiction plague is somewhat different in my district's communities and neighborhoods than in other areas of our country. Ours task is different than just salvaging the lives of our addicts. It seems alcoholics and drug addicts are being recruited throughout our country to seek recovery in the wonderful environment of our Southern California residential neighborhoods. Residential recovery facilities, more commonly known as sober living homes, are proliferating to the point that my home town of Costa Mesa has been labeled the "Rehab Riviera."

Something is fundamentally wrong with this scenario. Sober living homes are businesses that operate out of single-family homes in residential neighborhoods. A significant number of them are run by unscrupulous owners and operators who willfully disregard the well-being of the addicts they are supposedly serving. This while they are simultaneously reducing the quality of life for the communities where they are located. Under normal circumstances, this problem could be addressed by local government, but in this case, federal law shields the bad actors with the protections meant for their customers.

Federal law designates recovering drug addicts and alcoholics as disabled. Thus, the Fair Housing Act protects them from discrimination in housing. This has had an unintended effect: states and local governments

have been consistently rebuked by courts who say laws and ordinances that target these facilities discriminate against this class of people. Meanwhile, crooked owners and operators laugh all the way to the bank with profits from a permanent, lucrative business funded by insurance company money in residential communities, all without accountability or oversight. Indeed, the Government Accountability Office issued a report showing that insurance fraud is rampant among these facilities in states across our country. They also note that tracking the problem is difficult because so many facilities are unlicensed.

To be clear: the presence of recovering drug addicts and alcoholics next door in and of itself is not the problem. The problem is that a lack of oversight is harming them and disrupts neighborhoods. My constituents report increases in criminal activity, noise, filth, trash, and other issues around the homes. Many of the addicts relapse perpetually, transforming the facilities into transient motels that shelter these individuals for only weeks, if not days, at a time. After relapse, the individuals often have nowhere to go, ending up homeless on our streets. This is not a system equipped to aid a class of people desperately needing help, and it's unfair to require local communities to put up with reductions in their quality of life and home values.

Let's do this right and balance the needs of recovering addicts and neighborhoods. This hearing is a good start. I will note that I have introduced legislation that I believe would fix this problem. *H.R. 5724, the Restoring Community Oversight of Sober Living Homes Act*, would do a few small but consequential things: It would clarify that nothing in federal law relating to protections for those with disabilities prohibits local governments from regulating or banning residential recovery facilities. For that to work, the bill defines "recovery facility" in federal code, then exempts those in residential zones from the definition of "dwelling" for purposes of protection under the Fair Housing Act. Furthermore, my bill would bar federal money from going to homes that are not licensed by their communities. Lastly, it would remove "substance use disorder" as an essential health benefit for purposes of insurance. Though that is a difficult provision for many of my colleagues, it would give states and insurance companies the ability to deal with the insurance fraud by, for example, putting caps on how much can be paid out for claims. That would help reduce the incentive for relapse among all parties: operators, treatment providers, and addicts.

I would appreciate the opportunity to work with this subcommittee on moving this bill forward so we can provide local governments the tools to help communities and addicts so poorly served by the status quo. Thank you again for conducting this hearing. This complicated problem deserves our attention, and I appreciate your willingness to hear our case.