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Recovery Housing Considerations
for City and County Leaders

Key Points:

- Recovery housing is associated with lower incarceration rates and reduced criminal justice costs from substance use disorder, as well as increased employment rates and higher income.
- Recovery housing is a cost-effective way to improve treatment outcomes, lower incarceration, improve local economic opportunities, and in some cases support mothers and children impacted by addiction.
- As with all affordable housing, the supply for recovery housing is much lower than demand, especially for women, and even more so for mothers with children.
- Recovery houses that serve women and children reduce reliance on child and family service systems and reduce state expenses.
- Recovery housing and related support is a common expense for opioid settlements, federal grants, and other funding opportunities for combatting addiction.

What is Recovery Housing and Why Does It Matter?

As of 2026, recovery housing is specifically defined in T.C.A. § 33-2-1401 as "a residence classified as a single family residence, as defined in § 13-24-102, or any other premise, place, or building that provides a substance-free living environment centered on supervised, monitored, or peer-led support that assists individuals in recovery from substance use disorder with services that promote long-term recovery, including direct connection to other peers in recovery, mutual support groups, and recovery support services but does not provide any medical or clinical services, treatment, or medication administration on-site except for verification of abstinence."

Research shows that recovery houses enhance traditional treatment options on several key measures (National Council for Mental Wellbeing & Opioid Response Network, 2021, 6). Compared to those only receiving treatment, people with a history of substance use disorder who are also living in recovery houses have lower rates of substance use, relapse, and

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incarceration, as well as higher rates of employment and sustained recovery. (National Council for Mental Wellbeing & Opioid Response Network, 2021, 6)

Supporting Mothers and Children

There is a particular need for recovery houses for women and mothers. Mothers not only face a lack of women-centered treatment options but are also faced with other barriers, such as the stigma of being a mother with substance use disorder (which discourages women from seeking treatment in the first place due to shame), the responsibility to find childcare for treatment appointments, the consequence of missing appointments if they can't find it, and fear of legal repercussions (Beidler, 2023).

According to the Tennessee Association of Alcohol, Drugs and other Addiction Services (TAADAS), there is a statewide shortage of recovery housing, especially those that serve women with children. In some regions of the state, there are twice as many recovery residences for men as those for women. Data from Recovery is the New High, one of the recognized certifying organizations in Tennessee, and Oxford House, a model of independent, self-run recovery residences, indicate that the shortage of houses that serve women with children may be even more severe in some parts of the state.

Meanwhile, a 2012 study found that having children in a recovery house supports a positive recovery environment for those in recovery as well as the improvement of parental-child relationships that have been harmed by prior substance use by the mother (Legler et al., 2012). In other words: recovery housing that supports both mothers and their children can help improve family cohesion and mitigate the adverse childhood experience of being the child of a parent that uses drugs.

Recovery houses also reduce the burden on the child and family services systems while strengthening existing family units. Increasing rates of neonatal opioid withdrawal syndrome have coincided with children under five being the fastest-growing demographic entering the foster care system (Williams et al., 2025). Research shows that women in residential treatment with their children are less likely to have their children removed compared to those who live in other types of facilities (Wiegmann, 2016). While recovery houses are not treatment facilities, the women living in them are usually in treatment, and the benefits of keeping parents with their children remain relevant.

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Benefits to Local Communities

Not only do recovery houses effectively address the need for treatment, they also strengthen the communities around them through more indirect means. Research has shown that recovery houses:

- **Increase economic growth**: the estimated net benefit of a recovery house stay is around $29,000 per person, measured by increased employment and decreased criminal activity over a two year period (Lo Sasso et al., 2011).
- **Reduce substance use-related emergency department visits**. These visits cost an average of $520 each and make up 11% of all emergency department visits in the US (Karaca & Moore, 2020; Zhang et al., 2021). A 2023 study found that people who lived in recovery housing had an average of 4 fewer emergency department visits compared to those without recovery housing (Roth et al., 2023).
- **Increase public safety** by addressing the root causes of repeat criminal offenses. A 2011 study found that after two years, those who lived in an Oxford House (a common type of recovery house) had a one-third of the risk of incarceration compared to those who received usual care (Jason & Ferrari, 2011).
- **Help keep children out of the child welfare system,** since children living with parents who have untreated substance use disorders are at greater risk of child welfare involvement (National Center on Substance Abuse and Child Welfare, 2026).
- **Reduce family disruptions** by reducing addiction related risk factors that lead to family separation. Research has found that parental substance use as a factor for child custody removals in the United States increased by 20% over the past twenty years (National Center on Substance Abuse and Child Welfare, 2026).
- **Reduce crime**: 80% of all crimes in Tennessee are related to drugs (Tennessee Bureau of Investigation, 2025). Recovery housing has been repeatedly associated with reduced crime in numerous studies (Vilsaint et al., 2025). Further, drug treatment programs have been found to reduce crime by a minimum of 40% (National Institute on Drug Abuse, 2016), and recovery housing has been found to improve retention in treatment (Vilsaint et al., 2025).
    - *Note: Doleac et al., 2020 re-analyzed data from a 2014 study of Oxford Houses and found an association with an increase of 3 days incarcerated for each month in residence (Doleac et al., 2020; Jason et al., 2014). Vilsaint et al., 2025 points out that Doleac et al.'s work ignores other indicators of criminal/legal involvement, including duration of the most recent incarceration and illegal income (i.e., money from crime), as well as other factors such as the cost-to-benefit ratio or follow-back measures of continuous alcohol or drug use (Vilsaint et al., 2025). As such, Vilsaint et al., 2025 determined that the re-analysis did not validly determine that Oxford Houses increase criminal involvement, but found that the data "directionally favored Oxford House over time.*

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Economic Impact

Long-term research has shown that people who live in recovery housing also have higher income and employment rates compared to those who received usual care (Reif et al., 2014, Vilsaint et al., 2025).

In 2017, the CDC estimated that opioid use disorder and fatal opioid overdose combined cost the state of Tennessee over $24 billion (Luo et al., 2021). Local communities face the brunt of these costs as they most closely feel the impact of lost productivity, reduced workforce participation, loss of life, and healthcare and criminal justice expenses. Recovery houses address this issue by helping people with SUDs gain stability through consistent treatment and support which in turn, reduces costly consequences such as homelessness, incarceration, relapse, and recurring emergency department visits (Prescott, 2023).

The Benefits of Certification

Tennessee law does not require that recovery residences be certified by a recognized organization. In other words, Tennessee law does not directly regulate the operational standards of recovery housing.

However, T.C.A. § 33-2-1402 stipulates that certified service providers (i.e., treatment programs), as well as judges and magistrates **cannot refer** individuals to recovery residences that are either 1) **not certified or recognized** by recognized organizations, or 2) **not state or federally funded**. The law also prohibits state funding from going to any recovery residence that is not certified. This places a significant market incentive for recovery residences to acquire certification. However, there are still houses that choose to forgo certification and operate under their own standards (provided they do not clash with the federal law, i.e., the Americans with Disabilities Act and the Fair Housing Act).

State law defines the minimum standards for organizations that certify recovery residences in T.C.A. § 33-2-1404. As of August, 2026, two organizations are listed on the tn.gov website as meeting these criteria: the Tennessee Alliance of Recovery Residences (TN-ARR) and Recovery is the New High (RITNH). Because these organizations meet or exceed the criteria defined in Tennessee law, recovery residences certified by these organizations are allowed to receive referrals by local treatment providers and judges, making them eligible for participation in local drug recovery courts, mental health courts, veteran courts, and other judicial diversion programs.

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To achieve certification, such residences will also have policies determining:

- Consistent and fair practices for drug and alcohol testing,
- Respect for the resident's choice for participation,
- Good neighbor policies and procedures,
- Abstinence from illicit and certain nonillicit substances,
- The sharing of data with local governments, police & fire departments, emergency services an health officials,
- Codes of ethics for owners and employees,
- And much more (full list of these standards are available in T.C.A. § 33-2-1404.)

Residences that are not certified may also have many or all of the above policies in place, but certification does ensure that these minimum standards have been met by the certifying organizations.

Conclusion

Recovery houses are not substance use treatment facilities; they are community assets that promote stability, workforce participation, family preservation, and public safety. For mothers and children affected by substance use disorder, they offer a space for recovery while supporting the likelihood that families stay united. Substance use disorders impact communities in a variety of ways. Recovery houses can reduce demands on criminal justice, public health, child and family services, and public safety systems while helping individuals get to a place where they are no longer dependent on public assistance.

Further, recovery residences that are certified are held to a minimum set of operational standards and are eligible for referrals from licensed providers and judges, and are eligible for state and federal funding, which increases their likelihood of positive impact and financial stability.

Additional Resources

TAADAS Recovery Housing Toolkit, 2025 Edition
SAMHSA Best Practices for Recovery Housing
Demonstrating the Value of Recovery Housing: Technical Expert Panel Findings

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