Center for Community Engagement at Chestnut Health Systems

STARTING A RECOVERY HOME 101

The Basics

There are many considerations when opening a recovery home in Illinois. This guide provides general information for educational purposes. It is not legal, financial, or compliance advice. Recovery housing regulations are different in each state, county, and municipality. Please consult with your municipality's code enforcement office. Please also check our Frequently Asked Questions for Landlords document if you still have questions after reading this guide.

1. Define Your Business Plan and Financial Strategy

- **Market analysis**: Assess local demand, competition, and unique selling points.
- **Program structure:** Outline house rules, sobriety requirements, curfews, chores, group meetings, and support services. See our Recovery Housing Sample House Rules for ideas on where to start with this step.
- **Financial plan**: Estimate startup costs (property, renovations, equipment), ongoing expenses (staffing, utilities, insurance), and revenue sources (resident fees/rent, grants, donations). Rent is usually calculated per bed and per week or month. Determine when you will collect rent.
- **Funding:** Explore loans, grants, or community partnerships (see our Recovery Housing Funding Source Document).

2. Outline Your Mission, Vision, and Target Population

- Define your **mission** and **vision** – why you're starting the house and who you aim to serve.
- Identify your **priority population** (e.g., post-treatment individuals, specific age groups, or recovery stages) to tailor services and marketing.
    - Someone is qualified for recovery housing if they have an SUD diagnosis and need recovery housing. They may not qualify for recovery housing if they have a history of being a sex offender, convicted arsonist, or have a charge related to extreme violence.
- The Fair Housing Act states tenants that use/have history of substance use are protected under law from housing discrimination. Learn more about the FHA and what questions landlords cannot ask from the Recovery Housing Stigma Fact Sheet.

3. Find Your Location and Facility Design

- Choose a **safe, quiet**, and **accessible** location with proximity to transportation, jobs, recovery meetings, and healthcare.
- Ensure the property can accommodate planned residents with private/shared bedrooms, kitchens, bathrooms, and common areas
- Network and engage with the community to break down stigmas around the recovery house. Learn more about stigma in Recovery Housing Stigma Fact Sheet.

4. Review Legal and Regulatory Compliance

- **Zoning and building codes**: Ensure the property is zoned for residential use and meets health, safety, and occupancy standards. Find more information on zoning in our Recovery Housing Compliance Checklist.
- **Licensing**: Some states require sober living homes to be licensed; others have voluntary or informal standards. Check local requirements and consider certification through the National Alliance for Recovery Residences (NARR)/IAEC for credibility. To get a Recovery Home License in Illinois, visit the IDHS/DBHR "Become a Substance Use Disorder Intervention/Treatment Provider Page."
- **Permits and inspections**: Secure fire, health, and structural permits; complete zoning approvals. Check with your local municipality, county, and state for requirements.
- **Insurance:** Obtain at some recommended insurance policies for recovery houses in Illinois:
    - General liability insurance covering incidents involving residents on the property.
    - Property insurance covering multiple residents.
    - Social services liability insurance covering drug testing or peer programming.
    - Workers' compensation covering paid staff.
    - Commercial auto coverage covering the operator transporting any residents.
- **Standards:** Follow **NARR best practice standards** for safety, structure, and peer support. Review the Fair Housing Act. For more information on The Fair Housing Act and housing discrimination, please see our Recovery Housing Stigma Fact Sheet.

5. Coordinate Staffing and Governance

- Decide between professional staff (therapists, counselors, house managers) and a mix with volunteers. Keep in mind what structure you have chosen when deciding your staff.
- Establish clear roles, training needs, and accountability systems. Reevaluate these needs often and review them annually.
    - Landlord vs. Operation Manager
    - The Landlord owns the property while the Operation Manager runs daily operations, enforce house rules, uphold safety, and provide support services if a certified recovery home

6. Put Operational Standards and Safety Into Action

- Implement consistent house policies, conflict resolution processes, and emergency procedures.
- Ensure Naloxone is available and staff is trained in its use.

7. Assemble Community and Referral Networks

- Build relationships with treatment centers, support groups, and community organizations to attract residents.
- Promote your house through word-of-mouth, referrals, and community outreach.

8. Ensure Sustainability and Growth

- Monitor resident feedback, operational costs, and program effectiveness to adapt over time.
- Plan for expansion or new locations if demand grows
- Continue to work with funding sources

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