BOARD of SUPERVISORS



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MEMORANDUM

TO: Shireen McSpadden, Director, Department of Homelessness and Supportive

Housing

Daniel Tsai, Director, Department of Public Health

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: October 29, 2025

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Dorsey on October 7, 2025.

File No. 251003

Ordinance amending the Administrative Code to state that it is City policy to expand the availability of Site-Based Permanent Supportive Housing ("PSH") for people experiencing homelessness that supports abstinence by prohibiting illegal drug use on-site or emphasizing abstinence ("Drug-Free and Recovery-Oriented Supportive Housing"); prohibiting the City from funding Site-Based PSH for people experiencing homelessness that bars evictions on the basis of drug use alone ("Drug-Tolerant Housing") except where operation of the funded housing as Drug-Free and Recovery-Oriented Supportive Housing would conflict with standards imposed by law or as a condition of other funding; and requiring the Department of Homelessness and Supportive Housing to survey residents of Site-Based PSH to assess their interest in living in Drug-Free and Recovery-Oriented Supportive Housing, and submitting a report to the Board of Supervisors summarizing the summary findings.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: john.carroll@sfgov.org.

cc:

Offices of Chair Melgar and Supervisor Dorsey
Dylan Schneider, Department of Homelessness and Supportive Housing
Emily Cohen, Department of Homelessness and Supportive Housing
Bridget Badasow, Department of Homelessness and Supportive Housing
Dr. Naveena Bobba, Department of Public Health
Sneha Patil, Department of Public Health

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1	[Administrative	Code - Expanding Drug-Free Permanent Supportive Housing]
2		
3	Ordinance ame	ending the Administrative Code to state that it is City policy to expand
4	the availability	of Site-Based Permanent Supportive Housing ("PSH") for people
5	experiencing h	omelessness that supports abstinence by prohibiting illegal drug use
6	on-site or emp	hasizing abstinence ("Drug-Free and Recovery-Oriented Supportive
7	Housing"); pro	hibiting the City from funding Site-Based PSH for people experiencing
8	homelessness	that bars evictions on the basis of drug use alone ("Drug-Tolerant
9	Housing") exce	ept where operation of the funded housing as Drug-Free and Recovery-
10	Oriented Supp	ortive Housing would conflict with standards imposed by law or as a
11	condition of ot	her funding; and requiring the Department of Homelessness and
12	Supportive Ho	using to survey residents of Site-Based PSH to assess their interest in
13	living in Drug-l	Free and Recovery-Oriented Supportive Housing, and submitting a report
14	to the Board of	f Supervisors summarizing the summary findings.
15	NOTE:	Unchanged Code text and uncodified text are in plain Arial font.
16		Additions to Codes are in <u>single-underline italics Times New Roman font</u> . Deletions to Codes are in <u>strikethrough italics Times New Roman font</u> .
17		Board amendment additions are in double-underlined Arial font. Board amendment deletions are in strikethrough Arial font.
18		Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.
19		
20	Be it orda	ained by the People of the City and County of San Francisco:
21		
22	Section 1	. The Administrative Code is hereby amended by adding Chapter 12K,
23	consisting of Se	ections 12K.1 through 12K.7, to read as follows:
24		

1	CHAPTER 12K: PERMANENT SUPPORTIVE HOUSING; DRUG-FREE AND
2	RECOVERY-ORIENTED SUPPORTIVE HOUSING
3	
4	SEC. 12K.1. FINDINGS.
5	(a) Permanent Supportive Housing ("PSH") plays a significant role in San Francisco's
6	response to homelessness by combining affordable housing assistance with voluntary support services
7	intended to address the myriad needs of chronically homeless people, including families with children,
8	seniors, and persons with chronic disabilities. These support services are intended to build independent
9	living and tenancy skills, and connect people with community-based health care, treatment, and
10	employment services.
11	(b) With few exceptions, San Francisco's PSH sites adhere to the drug-tolerant policies
12	reflected in California's current implementation of the "Core Components of Housing First," as set
13	forth in California Welfare and Institutions Code Section 8255. These policies apply to state-funded
14	PSH, and provide that "use of alcohol or drugs in and of itself, without other lease violations, is not a
15	reason for eviction," and that supportive services must be "informed by a harm-reduction philosophy
16	that recognizes drug and alcohol use and addiction as a part of tenants' lives." Some – but not all – of
17	San Francisco's PSH is state-funded, and subject to the state's current Housing First mandates. To the
18	extent locally funded PSH in San Francisco adheres to drug-tolerant provisions, however, it does so as
19	a voluntary policy choice subject to revision by the Board of Supervisors.
20	(c) The near universality of drug-tolerant policies in San Francisco's PSH portfolio does not
21	serve the needs of many PSH residents seeking to stabilize their lives as they exit homelessness—
22	especially those residents who are in recovery or seeking to recover from substance use disorders
23	("SUDs"). Moreover, many of the externalities that arise from residents' illicit drug use overburden
24	the City's public health and public safety resources because of elevated acuity and drug-related
25	behavioral health challenges, diminishing San Franciscans' confidence in their city government's

1	response to homelessness overall. According to data from the Office of the Chief medical Examiner,
2	between June 2024 and July 2025, 26% of overdose deaths occurred in PSH, a higher percentage than
3	shelters, hospitals, private homes, and outside. Drug-related behaviors and associated lawlessness lead
4	to public nuisances that routinely rob law-abiding PSH residents and neighbors of the quiet enjoyment
5	of their own residences and neighborhoods. Just one PSH facility alone generated 654 police calls for
6	service — averaging nearly two calls per day. A sample of 15 PSH sites shows 5,872 police calls for
7	service during that same timeframe.
8	(d) Recovery housing and drug-free supportive housing options, by contrast, are operated as
9	living environments free of illicit substances in order to more effectively support individuals in recovery
10	from addiction and alcoholism and better protect those at elevated risks to develop SUDs. In a 2015
11	policy brief, the Obama Administration's U.S. Department of Housing and Urban Development
12	("HUD") recommended that "Recovery Housing, when administered in a manner consistent with this
13	brief and in a community that has adopted the principles of Housing First communitywide, can be a
14	part of a larger community approach grounded in choice for people who are experiencing
15	homelessness and have substance use disorders. HUD strongly encourages [Continuums of Care] to
16	adopt a system-wide Housing First orientation that removes barriers whenever possible and that
17	addresses the housing needs of people at all stages of recovery. When operated in a manner consistent
18	with this guidance, Recovery Housing might not be in conflict with this approach so long as entry into
19	the program is based on the choice of the program participant."
20	(e) Drug-Free and Recovery Housing models of PSH that align with federal Housing First
21	standards would add an important new option for PSH residents exiting homelessness and broaden the
22	City's array of evidence-based solutions to address homelessness and substance use disorders that are
23	so visible on City streets. By removing barriers to drug-free and recovery-focused options for formerly
24	unhoused persons, these options would better serve many PSH residents, who include families with
25	children, seniors, and individuals at all stages of recovery from SUDs or at heightened risk of suffering

1	harms associated with illicit drug use.
2	(f) Recovery from substance use disorders takes many forms, and abstinence-based programs
3	and drug-free living environments should have a place in the City's overall approach to helping people
4	exit homelessness.
5	
6	SEC. 12K.2. DEFINITIONS.
7	For purposes of this Chapter 12K, the following definitions apply:
8	"City" means the City and County of San Francisco.
9	"Drug-Free Supportive Housing" means Site-Based PSH where on-site illegal substance use is
10	prohibited and is grounds for eviction, but residency is not limited to individuals seeking to recover
11	from a diagnosed substance use disorder.
12	"Drug-Tolerant Housing" means Site-Based PSH where the use of illicit drugs, without any
13	other lease violation, is not a basis for eviction, and applicants are accepted regardless of their
14	sobriety or use of substances, completion of treatment, or participation in recovery services.
15	"Site-Based Permanent Supportive Housing" or "Site-Based PSH" means subsidized rental
16	housing for individuals and households with a history of homelessness in a building that is owned or
17	master leased by the City or a non-profit organization funded by the City, that imposes no time limit on
18	occupancy, and provides supportive services to help tenants maintain housing.
19	"Site-Based Permanent Supportive Housing Portfolio" means the total number of Site-Based
20	PSH units that are operated or funded by the City at a given time.
21	"Supportive-Recovery Housing" means Site-Based PSH that serves individuals experiencing, or
22	who are at risk of experiencing, homelessness and who have substance use disorders, and that complies
23	with all of the following:
24	(a) Uses substance-use-specific, peer support, and physical design features supporting
25	individuals and families on a path to recovery from substance use disorders;

1	(b) Emphasizes abstinence from illicit drugs;
2	(c) Ensures that residency and participation in the abstinence-based program is self-
3	<u>initiated;</u>
4	(d) Core outcomes emphasize long-term housing stability and minimize returns to
5	homelessness;
6	(e) Policies and operations ensure individual rights of privacy, dignity, and respect, and
7	freedom from coercion and restraint, as well as continuous, uninterrupted access to the housing;
8	(f) Holistic services and peer-based recovery supports are available and directly
9	communicated to all program participants along with services that align with participants' choice and
10	prioritization of personal goals of sustained recovery and abstinence from substance use;
11	(g) Abides by local and state landlord-tenant laws governing grounds for eviction;
12	(h) Relapse to substance abuse is not a cause for eviction from housing and tenants
13	receive relapse support;
14	(i) Eviction may occur only when a tenant's behavior substantially disrupts or impacts
15	the welfare of the recovery community in which the tenant resides; and
16	(j) Provides assistance to tenants who are no longer interested in living in a Supportive-
17	Recovery Housing model or are at risk of eviction, in accessing housing operated with harm-reduction
18	principles that is also permanent housing.
19	
20	SEC. 12K.3. DECLARATION OF POLICY.
21	It shall be City policy to expand the availability of Drug-Free Supportive Housing and
22	Supportive-Recovery Housing to meet the demand from individuals in need of Permanent Supportive
23	Housing who prefer those options as alternatives to Drug-Tolerant Housing.
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1	SEC. 12K.4. USE OF CITY FUNDS FOR DRUG-TOLERANT HOUSING PROHIBITED
2	EXCEPT WHERE RECOVERY HOUSING MODELS INCONSISTENT WITH LAW OR
3	<u>FUNDING.</u>
4	(a) Except as stated in subsection (c), the City shall not expend funds for any contract, grant
5	agreement, or loan agreement to increase the City's Site-Based Permanent Supportive Housing
6	Portfolio unless the contract, grant agreement, or loan agreement would exclusively fund Supportive-
7	Recovery Housing or Drug-Free Supportive Housing.
8	(b) The prohibition set forth in subsection (a) includes, but is not limited to: (1) entering into a
9	grant agreement to fund an organization to provide services or operations for Drug-Tolerant Housing,
10	(2) entering into a grant agreement to subsidize operations and/or rents for Drug-Tolerant Housing,
11	and (3) entering into a loan agreement for the development and construction of any new Drug-Tolerant
12	<u>Housing.</u>
13	(c) The prohibition set forth in subsection (a) shall not apply to any contract, grant agreement,
14	or loan agreement for Site-Based PSH where operation of such Site-Based PSH as Drug-Free Housing
15	or Supportive-Recovery Housing would be prohibited by law or inconsistent with applicable conditions
16	of funding.
17	
18	SEC. 12K.5. MEASURING DEMAND FOR DRUG-FREE HOUSING AND SUPPORTIVE-
19	<u>RECOVERY HOUSING.</u>
20	(a) By no later than July 1, 2026, the Department of Homelessness and Supportive Housing
21	("HSH") shall conduct a survey of PSH residents to assess their interest in living in Drug-Free
22	Supportive Housing and/or Supportive-Recovery Housing. The survey instrument shall explain the
23	drug-related policies that apply in each type of housing.
24	(b) By no later than January 1, 2027, HSH shall prepare a report summarizing the results of
25	the survey and shall submit the report to the Board of Supervisors, along with a resolution to

1	acknowleage receipt of the survey report.
2	(c) The City shall use the survey findings to inform its strategies to meet the demand for Drug-
3	Free Supportive Housing and Supportive-Recovery Housing from individuals who seek to initiate or
4	sustain recovery from substance use disorders, or who are at elevated risk for substance use disorders,
5	in furtherance of the policy se forth in Section 12K.3.
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7	SEC. 12K.6. RULES AND REGULATIONS.
8	HSH, in consultation with the Department of Public Health, shall promulgate rules and
9	regulations to carry out the provisions of this Chapter 12K. Such rules and regulations shall be
10	consistent with best practices in the operation of Recovery Housing, including but not limited to, policy
11	guidance from the U.S. Department of Housing and Urban Development and the Substance Abuse and
12	Mental Health Services Administration. In addition, such rules and regulations shall, at a minimum,
13	establish standards for "Drug-Free Supportive Housing" that prohibits the use of illicit drugs on the
14	premises.
15	
16	SEC. 12K.7. UNDERTAKING FOR THE GENERAL WELFARE.
17	In enacting and implementing this Chapter 12K, the City is assuming an undertaking only to
18	promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an
19	obligation for breach of which it is liable in money damages to any person who claims that such breach
20	proximately caused injury.
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1	Section 2. Effective Date. This ordinance shall become effective 30 days after
2	enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3	ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4	of Supervisors overrides the Mayor's veto of the ordinance.
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6	APPROVED AS TO FORM:
7	DAVID CHIU, City Attorney
8	By: /s/
9	ANNE PEARSON Deputy City Attorney
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LEGISLATIVE DIGEST

[Administrative Code - Expanding Drug-Free Permanent Supportive Housing]

Ordinance amending the Administrative Code to state that it is City policy to expand the availability of Site-Based Permanent Supportive Housing ("PSH") for people experiencing homelessness that supports abstinence by prohibiting illegal drug use on-site or emphasizing abstinence ("Drug-Free and Recovery-Oriented Supportive Housing"); prohibiting the City from funding Site-Based PSH for people experiencing homelessness that bars evictions on the basis of drug use alone ("Drug-Tolerant Housing") except where operation of the funded housing as Drug-Free and Recovery-Oriented Supportive Housing would conflict with standards imposed by law or as a condition of other funding; and requiring the Department of Homelessness and Supportive Housing to survey residents of Site-Based PSH to assess their interest in living in Drug-Free and Recovery-Oriented Supportive Housing, and submitting a report to the Board of Supervisors summarizing the summary findings.

Existing Law

Currently, there is no law requiring or prohibiting the City from funding any model of permanent supportive housing.

Amendments to Current Law

The proposed ordinance would state that it is City policy to expand the availability of Site-Based Permanent Supportive Housing ("PSH") for people experiencing homelessness that supports abstinence by prohibiting illegal drug use on-site or emphasizing abstinence ("Drug-Free and Recovery-Oriented Supportive Housing"). It would also prohibit the City from funding Site-Based PSH for people experiencing homelessness that bars evictions on the basis of drug use alone ("Drug-Tolerant Housing") except where operation of the funded housing as Drug-Free or Recovery-Oriented Supportive Housing would conflict with standards imposed by law or as a condition of other funding

The Department of Homelessness and Supportive Housing would be required to survey residents of Site-Based PSH to assess their interest in living in Drug-Free and Recovery-Oriented Supportive Housing, and submit a report to the Board of Supervisors summarizing the summary findings.

Background Information

Permanent Supportive Housing ("PSH") plays a significant role in San Francisco's response to homelessness by combining affordable housing assistance with voluntary support services

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intended to address the myriad needs of chronically homeless people, including families with children, seniors, and persons with chronic disabilities. These support services are intended to build independent living and tenancy skills, and connect people with community-based health care, treatment, and employment services.

With few exceptions, San Francisco's PSH sites adhere to the drug-tolerant policies reflected in California's current implementation of the "Core Components of Housing First," as set forth in California Welfare and Institutions Code Section 8255. These policies apply to state-funded PSH, and provide that "use of alcohol or drugs in and of itself, without other lease violations, is not a reason for eviction," and that supportive services must be "informed by a harm-reduction philosophy that recognizes drug and alcohol use and addiction as a part of tenants' lives." Some – but not all – of San Francisco's PSH is state-funded, and subject to the state's current Housing First mandates.

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Introduction Form

(by a Member of the Board of Supervisors or the Mayor)

I haral	by cubr	nit the following item for introduction (select only one):
	•	
	1.	For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
	2.	Request for next printed agenda (For Adoption Without Committee Reference) (Routine, non-controversial and/or commendatory matters only)
	3.	Request for Hearing on a subject matter at Committee
	4.	Request for Letter beginning with "Supervisor inquires"
	5.	City Attorney Request
	6.	Call File No. from Committee.
	7.	Budget and Legislative Analyst Request (attached written Motion)
	8.	Substitute Legislation File No.
	9.	Reactivate File No.
	10.	Topic submitted for Mayoral Appearance before the Board on
The p	roposed	legislation should be forwarded to the following (please check all appropriate boxes):
1	-	nall Business Commission
	□ Pla	anning Commission Building Inspection Commission Human Resources Department
Gener	al Plan	Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):
	□ Ye	es \square No
(Note:	For Im	perative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)
Spons	or(s):	
Subje	ct:	
Long	Title or	text listed:
		Signature of Sponsoring Supervisor: