[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.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
Additions to Codes are in *single-underline italics Times New Roman font*.
Deletions to Codes are in ~~*strikethrough italics Times New Roman font*~~.
Board amendment additions are in double-underlined Arial font.
Board amendment deletions are in ~~strikethrough Arial font~~.
Asterisks (* * * *) indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The Administrative Code is hereby amended by adding Chapter 12K, consisting of Sections 12K.1 through 12K.7, to read as follows:

CHAPTER 12K: PERMANENT SUPPORTIVE HOUSING; DRUG-FREE AND RECOVERY-ORIENTED SUPPORTIVE HOUSING

SEC. 12K.1. FINDINGS.

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

(b) 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. To the extent locally funded PSH in San Francisco adheres to drug-tolerant provisions, however, it does so as a voluntary policy choice subject to revision by the Board of Supervisors.

(c) The near universality of drug-tolerant policies in San Francisco's PSH portfolio does not serve the needs of many PSH residents seeking to stabilize their lives as they exit homelessness — especially those residents who are in recovery or seeking to recover from substance use disorders ("SUDs"). Moreover, many of the externalities that arise from residents' illicit drug use overburden the City's public health and public safety resources because of elevated acuity and drug-related behavioral health challenges, diminishing San Franciscans' confidence in their city government's

response to homelessness overall. According to data from the Office of the Chief medical Examiner, between June 2024 and July 2025, 26% of overdose deaths occurred in PSH, a higher percentage than shelters, hospitals, private homes, and outside. Drug-related behaviors and associated lawlessness lead to public nuisances that routinely rob law-abiding PSH residents and neighbors of the quiet enjoyment of their own residences and neighborhoods. Just one PSH facility alone generated 654 police calls for service — averaging nearly two calls per day. A sample of 15 PSH sites shows 5,872 police calls for service during that same timeframe.

(d) Recovery housing and drug-free supportive housing options, by contrast, are operated as living environments free of illicit substances in order to more effectively support individuals in recovery from addiction and alcoholism and better protect those at elevated risks to develop SUDs. In a 2015 policy brief, the Obama Administration's U.S. Department of Housing and Urban Development ("HUD") recommended that "Recovery Housing, when administered in a manner consistent with this brief and in a community that has adopted the principles of Housing First communitywide, can be a part of a larger community approach grounded in choice for people who are experiencing homelessness and have substance use disorders. HUD strongly encourages [Continuums of Care] to adopt a system-wide Housing First orientation that removes barriers whenever possible and that addresses the housing needs of people at all stages of recovery. When operated in a manner consistent with this guidance, Recovery Housing might not be in conflict with this approach so long as entry into the program is based on the choice of the program participant."

(e) Drug-Free and Recovery Housing models of PSH that align with federal Housing First standards would add an important new option for PSH residents exiting homelessness and broaden the City's array of evidence-based solutions to address homelessness and substance use disorders that are so visible on City streets. By removing barriers to drug-free and recovery-focused options for formerly unhoused persons, these options would better serve many PSH residents, who include families with children, seniors, and individuals at all stages of recovery from SUDs or at heightened risk of suffering

harms associated with illicit drug use.

(f) Recovery from substance use disorders takes many forms, and abstinence-based programs and drug-free living environments should have a place in the City's overall approach to helping people exit homelessness.

SEC. 12K.2. DEFINITIONS.

For purposes of this Chapter 12K, the following definitions apply:

"City" means the City and County of San Francisco.

"Drug-Free Supportive Housing" means Site-Based PSH where on-site illegal substance use is prohibited and is grounds for eviction, but residency is not limited to individuals seeking to recover from a diagnosed substance use disorder.

"Drug-Tolerant Housing" means Site-Based PSH where the use of illicit drugs, without any other lease violation, is not a basis for eviction, and applicants are accepted regardless of their sobriety or use of substances, completion of treatment, or participation in recovery services.

"Site-Based Permanent Supportive Housing" or "Site-Based PSH" means subsidized rental housing for individuals and households with a history of homelessness in a building that is owned or master leased by the City or a non-profit organization funded by the City, that imposes no time limit on occupancy, and provides supportive services to help tenants maintain housing.

"Site-Based Permanent Supportive Housing Portfolio" means the total number of Site-Based PSH units that are operated or funded by the City at a given time.

"Supportive-Recovery Housing" means Site-Based PSH that serves individuals experiencing, or who are at risk of experiencing, homelessness and who have substance use disorders, and that complies with all of the following:

(a) Uses substance-use-specific, peer support, and physical design features supporting individuals and families on a path to recovery from substance use disorders;

(b) Emphasizes abstinence from illicit drugs;

(c) Ensures that residency and participation in the abstinence-based program is self-initiated;

(d) Core outcomes emphasize long-term housing stability and minimize returns to homelessness;

(e) Policies and operations ensure individual rights of privacy, dignity, and respect, and freedom from coercion and restraint, as well as continuous, uninterrupted access to the housing;

(f) Holistic services and peer-based recovery supports are available and directly communicated to all program participants along with services that align with participants' choice and prioritization of personal goals of sustained recovery and abstinence from substance use;

(g) Abides by local and state landlord-tenant laws governing grounds for eviction;

(h) Relapse to substance abuse is not a cause for eviction from housing and tenants receive relapse support;

(i) Eviction may occur only when a tenant's behavior substantially disrupts or impacts the welfare of the recovery community in which the tenant resides; and

(j) Provides assistance to tenants who are no longer interested in living in a Supportive-Recovery Housing model or are at risk of eviction, in accessing housing operated with harm-reduction principles that is also permanent housing.

SEC. 12K.3. DECLARATION OF POLICY.

It shall be City policy to expand the availability of Drug-Free Supportive Housing and Supportive-Recovery Housing to meet the demand from individuals in need of Permanent Supportive Housing who prefer those options as alternatives to Drug-Tolerant Housing.

SEC. 12K.4. USE OF CITY FUNDS FOR DRUG-TOLERANT HOUSING PROHIBITED EXCEPT WHERE RECOVERY HOUSING MODELS INCONSISTENT WITH LAW OR FUNDING.

(a) Except as stated in subsection (c), the City shall not expend funds for any contract, grant agreement, or loan agreement to increase the City's Site-Based Permanent Supportive Housing Portfolio unless the contract, grant agreement, or loan agreement would exclusively fund Supportive-Recovery Housing or Drug-Free Supportive Housing.

(b) The prohibition set forth in subsection (a) includes, but is not limited to: (1) entering into a grant agreement to fund an organization to provide services or operations for Drug-Tolerant Housing, (2) entering into a grant agreement to subsidize operations and/or rents for Drug-Tolerant Housing, and (3) entering into a loan agreement for the development and construction of any new Drug-Tolerant Housing.

(c) The prohibition set forth in subsection (a) shall not apply to any contract, grant agreement, or loan agreement for Site-Based PSH where operation of such Site-Based PSH as Drug-Free Housing or Supportive-Recovery Housing would be prohibited by law or inconsistent with applicable conditions of funding.

SEC. 12K.5. MEASURING DEMAND FOR DRUG-FREE HOUSING AND SUPPORTIVE-RECOVERY HOUSING.

(a) By no later than July 1, 2026, the Department of Homelessness and Supportive Housing ("HSH") shall conduct a survey of PSH residents to assess their interest in living in Drug-Free Supportive Housing and/or Supportive-Recovery Housing. The survey instrument shall explain the drug-related policies that apply in each type of housing.

(b) By no later than January 1, 2027, HSH shall prepare a report summarizing the results of the survey and shall submit the report to the Board of Supervisors, along with a resolution to

acknowledge receipt of the survey report.

(c) The City shall use the survey findings to inform its strategies to meet the demand for Drug-Free Supportive Housing and Supportive-Recovery Housing from individuals who seek to initiate or sustain recovery from substance use disorders, or who are at elevated risk for substance use disorders, in furtherance of the policy se forth in Section 12K.3.

SEC. 12K.6. RULES AND REGULATIONS.

HSH, in consultation with the Department of Public Health, shall promulgate rules and regulations to carry out the provisions of this Chapter 12K. Such rules and regulations shall be consistent with best practices in the operation of Recovery Housing, including but not limited to, policy guidance from the U.S. Department of Housing and Urban Development and the Substance Abuse and Mental Health Services Administration. In addition, such rules and regulations shall, at a minimum, establish standards for "Drug-Free Supportive Housing" that prohibits the use of illicit drugs on the premises.

SEC. 12K.7. UNDERTAKING FOR THE GENERAL WELFARE.

In enacting and implementing this Chapter 12K, the City is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

Section 2. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: _____/s/_____
ANNE PEARSON
Deputy City Attorney

c:\users\brussi\desktop\01868996-dorsey edit.docx