FILE NO. 251003

LEGISLATIVE DIGEST

(Substituted - 3/17/26)

[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") that prohibits on-site illicit drug use among residents ("Drug-Free PSH") to meet the demand of people experiencing homelessness who prefer such a residential option; bar the City from funding new Site-Based PSH for people experiencing homelessness that prohibits evictions on the basis of drug use alone ("Drug-Tolerant PSH"), except where operation of the housing as Drug-Free PSH would conflict with standards imposed by law or by a condition of other funding, or the Board of Supervisors has waived the funding prohibition based on specific findings; and require the Department of Homelessness and Supportive Housing ("HSH") to survey residents of Site-Based PSH to assess their interest in living in either Drug-Tolerant PSH or Drug-Free PSH and report on the survey findings and HSH's strategies to meet PSH residents' demands.

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 that prohibits on-site illicit drug use ("Drug-Free PSH") to meet the demand from individuals who prefer that option as an alternative to Permanent Supportive Housing that prohibits eviction on the basis of on-site illicit drug use ("Drug-Tolerant PSH"). The goal of this policy is to promote long-term housing stability and minimize returns to homelessness.

The ordinance would also prohibit the City from funding new Site-Based Drug-Tolerant Permanent Supportive Housing except:

- Where operation of the new housing as Drug-Free PSH would conflict with standards imposed by law or by a condition of other funding; or
- Where the Board of Supervisors waives the prohibition on funding by resolution based on findings that such waiver is necessary to meet the demand for Drug-Tolerant PSH; the waiver is recommended by HSH or the Mayor's Office of Housing and Community Development; and the sponsoring department has committed to enter into a Good Neighbor Agreement with the housing operator.

The ordinance would require the Department of Homelessness and Supportive Housing to survey residents of Site-Based PSH to assess their interest in living in Drug-Free PSH, and submit a report to the Board of Supervisors summarizing their findings and plans to meet demand.

Background Information

This ordinance is a substitute of the ordinance in Board File No. 25-1003, which was introduced on October 7, 2025.

Permanent Supportive Housing 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.

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.