INITIAL POLICY REVIEW: Drug Free Permanent Supportive Housing (File #251003)

Purpose

Pursuant to Ordinance No. 188-19, the Office of Racial Equity (ORE) is required to provide an objective analysis to the Board of Supervisors about the racial equity impacts of pending ordinances.

The Board of Supervisors is considering a proposed ordinance – Expanding Drug Free Permanent Supportive Housing (File #251003) – to increase long-term housing stability and minimize returns to homelessness by expanding housing options for Permanent Supportive Housing (PSH) residents.

ORE has conducted an initial analysis of this ordinance, drawing on subject matter expertise from senior staff in relevant City departments and the Human Rights Commission Equity Advisory Committee Housing Subcommittee. This memo summarizes preliminary findings and recommended amendments to ensure the ordinance achieves its policy objectives.

Initial analysis

- **Permanent Supportive Housing (PSH) is designed to provide long-term housing stability for vulnerable residents**. There are currently more than 9,000 people living in the City's site-based PSH:
    - **Over 2,400 current PSH residents have experienced chronic homelessness**.[1, 2] As defined by the federal government, these residents have a disability and have previously been unsheltered for at least 12 months within the last three years.
    - **About 2,000 current PSH residents have had a long-term substance use condition.**[3] Scientists and medical professionals widely agree that substance use disorder is a chronic medical condition.[4] As with many chronic medical conditions, it typically involves "cycles of recovery, relapse, and repeated treatments," in contrast to the older conceptual model of lifelong abstinence.[5]
- **The ordinance, as initially drafted, proposes allowing or requiring Permanent Supportive Housing providers to evict residents for substance use. This has the potential to increase homelessness and create additional strain on hospitals, emergency responders, law enforcement, and the broader community.**
    - The ordinance conflicts with federal and state commitments to "Housing First," which provides PSH without preconditions related to sobriety or treatment.[6, 7, 8]
    - Research demonstrates that "Housing First" policies significantly reduce homelessness and improved housing stability, particularly for those with mental illness.[9]
- **The ordinance as written would prohibit the City from funding effective, evidence-based housing models and increase operational challenges for housing providers.**
    - PSH development is costly and time-intensive, making it critical that each site be matched to actual community needs. The ordinance prohibits "Housing First"

policies at locally funded PSH sites, even though those policies reduce housing instability.

  - Instead, the City and local housing providers would be restricted to an untested housing model, unless the Board of Supervisors were to grant a waiver on a site-by-site basis. Roughly one-fifth of PSH in San Francisco – 33 out of 153 sites – are entirely locally funded and could be subject to these new restrictions.
  - The ordinance also introduces significant operational challenges by requiring housing providers to monitor individual residents for substance use or obtain access to their health-related information. A comprehensive study has shown that housing assistance programs across the U.S. are unable to conduct substance use assessments consistently or without bias. [10]

- **The ordinance does not align with City racial equity goals and would not improve access to housing in San Francisco.**
  - Its impacts would likely fall most heavily on communities that are already overrepresented in PSH and in the criminal legal system due to systemic racism – including American Indian, Black, transgender, gender non-conforming, and veteran residents (see appendix).
  - Policies that enable eviction or denial of PSH based on substance use will recreate the racial disparities of past criminalization efforts and conflict with this City's legislative mandate to dismantle structural racism in City services.

<u>Recommendations</u>

- **Amend the ordinance to conduct a survey of Permanent Supportive Housing needs at this time, and introduce a separate, subsequent ordinance on housing models after the survey is completed** OR
- **Amend the ordinance to support Recovery-Focused Permanent Supportive Housing as follows:**
  - **Housing models:**
    - Rename "Drug-Free" Permanent Supportive Housing to **"Recovery-Focused Permanent Supportive Housing"**
    - Rename "Drug-Tolerant" Permanent Supportive Housing to **"Standard (or Low-Barrier) Permanent Supportive Housing"**
  - **Policy statement:**
    - Clarify that City policy is to expand Permanent Supportive Housing – **including different models, unit availability, service types, and site locations** – to meet people's needs, create long-term housing stability, and minimize returns to homelessness
  - **City funding restrictions:**

        - Allow City funding for Permanent Supportive Housing to be for **both "Recovery-Focused Permanent Supportive Housing" and "Standard (or Low-Barrier) Permanent Supportive Housing".**
        - Remove the requirements that City-funded Permanent Supportive Housing allow **evictions for drug use**
    - **Resident surveys:**
        - Clarify that resident surveys should assess **housing preferences, neighborhood preferences, recovery goals, and support needs, and be conducted with a neutral third-party research organization**
        - Add a similar survey or study of **Permanent Supportive Housing providers and research experts**
    - **Data and evaluation:**
        - Strengthen data and evaluation requirements to include **housing retention, health outcomes, resident satisfaction, including an analysis of potential disparate impacts by race**

Summary

- This ordinance underscores the profound difficulty of recovering from substance use disorder within a context of extreme housing unaffordability, wealth inequality, limited healthcare, and persistent racial and gender discrimination.
- Without the recommended amendments, this ordinance could destabilize PSH residents, impose new operational challenges on housing providers, and restrict the ability of the City to fund evidence-based housing models.

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[1] U.S. Department of Housing and Urban Development, "Permanent Supportive Housing (PSH)," 2025. https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-program-components/permanent-housing/permanent-supportive-housing/

[2] U.S. Department of Housing and Urban Development, "Definition of Chronic Homelessness," 2025. https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-esg-homeless-eligibility/definition-of-chronic-homelessness/

[3] San Francisco Department of Homelessness and Supportive Housing. Data available on request. December 2025.

[4] National Institute for Drug Abuse, "Drugs, Brains, and Behavior: The Science of Addiction," July 2020. https://nida.nih.gov/publications/drugs-brains-behavior-science-addiction/treatment-recovery

[5] Dennis, M. and C. Scott. "Managing Addiction as a Chronic Condition," *Addiction Science & Clinical Practice*, December 2007. https://pmc.ncbi.nlm.nih.gov/articles/PMC2797101/

[6] U.S. Interagency Council on Homelessness, *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*, 2015. https://www.usich.gov/sites/default/files/document/USICH_OpeningDoors_Amendment2015_FINAL_1.pdf

[7] California Interagency Council on Homelessness, "Cal ICH Guide to California's Housing First Law," October 2024. https://bcsh.ca.gov/calich/documents/housingfirstguidance_20241003.pdf

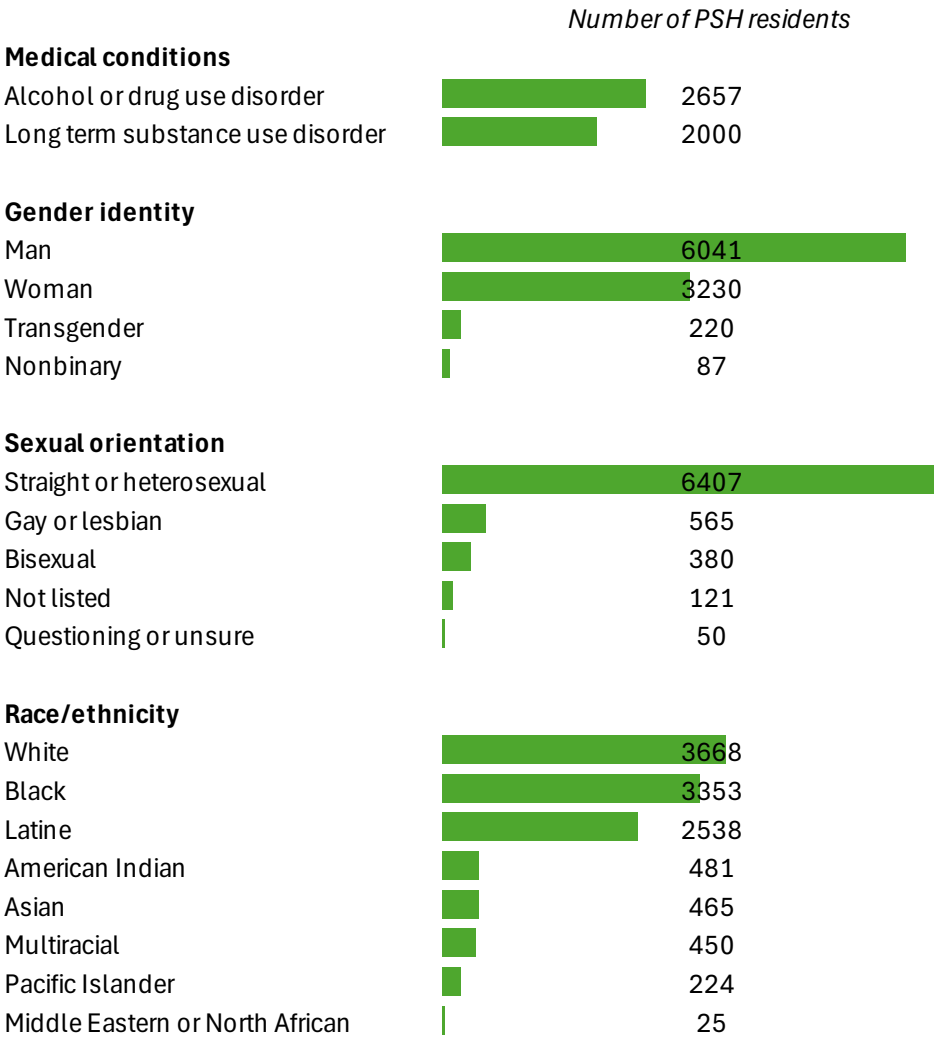
[8] U.S. Interagency Council on Homelessness, "Housing First Training: Putting Plans Into Practice in California." https://www.usich.gov/sites/default/files/document/Slides%20for%20California%20Housing%20First%20Training.pdf

[9] U.S. Interagency Council on Homelessness, "The Evidence Behind Approaches that Drive an End to Homelessness," December 2017. https://www.usich.gov/sites/default/files/document/evidence-behind-approaches-that-end-homelessness.pdf

[10] Curtis, M. et al., "Alcohol, Drug, and Criminal History Restrictions in Public Housing," *Cityscape: A Journal of Policy Development and Research*, 2013. https://www.huduser.gov/periodicals/cityscpe/vol15num3/ch2.pdf

San Francisco Site-Based Permanent Supportive Housing

Resident demographics
December 2025



Notes: This chart shows voluntary responses from residents of site-based permanent supportive housing. Not all residents were asked to provide information about their medical conditions. To qualify for permanent supportive housing, families must have been chronically homeless and have an adult or child living with a disability. Data provided by the Department of Homelessness and Supportive Housing.

San Francisco Point-in-Time Homelessness Count

Demographics of people experiencing homelessness
January 2024

	Number of sheltered people	*Number of unsheltered people*	*Total people counted*
Experiences or medical conditions			
Serious mental illness	1501	1193	2694
Substance use disorder	1243	1133	2376
Survivors of domestic violence	620	384	1004
HIV or AIDS	152	202	354
Race/ethnicity			
White	1602	1459	3061
Black or African American	1051	1053	2104
Latine or Hispanic	572	843	1415
Multiracial	249	422	671
American Indian or Native American	200	163	363
Asian or Asian American	198	175	373
Native Hawaiian or Pacific Islander	78	164	242
Middle Eastern or North African	19	75	94
Gender identity			
Man	2497	2381	4878
Woman	1327	1373	2700
Nonbinary and other gender identities	96	441	537
Transgender	49	159	208

Notes: The Point-in-Time Homelessness Count is an estimate of people experiencing homelessness. “Unsheltered” includes people living outdoors, in tents, and in cars. “Sheltered” includes emergency shelters and transitional housing. Data about prior experiences and medical conditions were collected from adults only. Due to the limits of what is visible to outreach workers and volunteers, point-in-time counts are known to undercount many communities, especially people who are American Indian or transgender. Data provided by the Department of Homelessness and Supportive Housing.