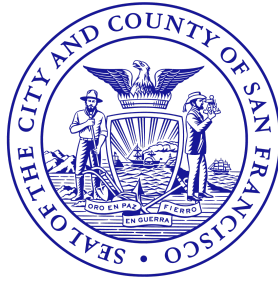


City and County
of San Francisco



Board of Supervisors
Member, District 6

MATT DORSEY

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NEWS RELEASE

Legislation would halt city funding for new drug-tolerant Permanent Supportive Housing

Dorsey-Mandelman proposal would mandate drug-free alternatives to exclusively drug-tolerant Permanent Supportive Housing whenever funding allows for it

SAN FRANCISCO (Oct. 7, 2025) — In the wake of Gov. Gavin Newsom’s controversial veto last week of a bill to authorize state funding for drug-free supportive housing, Supervisor Matt Dorsey and Board President Rafael Mandelman today introduced legislation to prohibit the use of city funds for new drug-tolerant models of site-based Permanent Supportive Housing, or PSH, in San Francisco. Their legislation would instead require that local dollars fund drug-free and recovery-focused options to finally begin meeting the demand of PSH residents themselves, whose preferences would be measured in a citywide survey of PSH clients to be conducted by the Department of Homelessness and Supportive Housing, or HSH.

California’s “Housing First” policy — which governs 100 percent of state-funded PSH — mandates that the use of illicit drugs by residents “in and of itself, without other lease violations, is not a reason for eviction,” where residents may be “engaged in nonjudgmental communication regarding drug and alcohol use,” and where supportive services must be “informed by a harm-reduction philosophy” that treats drug use and addiction “as a part of tenants’ lives.” Some, but not all, of San Francisco’s PSH is state-funded and subject to drug-tolerant state Housing First mandates. Although locally funded PSH in San Francisco has

historically also embraced exclusively drug-tolerant lease provisions, it has done so as a voluntary policy choice subject to amendment by the Board of Supervisors.

“This legislation will finally empower the residents of Permanent Supportive Housing to decide for themselves whether they want to live in drug-tolerant, drug-free, or recovery-oriented therapeutic support communities — and it will mandate that city dollars be prioritized to meet their demand for drug-free options moving forward,” said **Supervisor Matt Dorsey**, who has publicly acknowledged his own journey in recovery from drug addiction and alcoholism. “California’s implementation of Housing First a decade ago defied urging from the Obama Administration’s HUD for recovery-inclusive supportive housing options — adopting instead for a 100 percent drug-tolerant model, even as the deadliest drug crisis in human history was beginning to take hold. Today, San Francisco’s exclusively drug-tolerant PSH model is blamed for disproportionate rates of fatal overdoses, chaotic and too often violent neighborhood conditions, and a wide range of drug-driven public safety challenges. It’s time to deliver the drug-free options PSH residents have long been asking for, and I’m grateful to my co-author, President Rafael Mandelman, for his leadership, and to my co-sponsors, Supervisors Stephen Sherrill and Danny Sauter, for their support of this needed legislation.”

“I am continually inspired by San Francisco’s recovery community, which speaks courageously from lived experience and shares such a powerful commitment to helping others overcome their addictions and alcoholism,” said **Board President Rafael Mandelman**, the legislation’s co-author and a recovery community ally. “It’s time to listen to our recovery community. Overwhelmingly, they share my conviction that no one exiting homelessness should need to choose between their recovery and a home that continually endangers it. This legislation will add desperately needed new choices that every unhoused San Franciscan deserves: drug-free or recovery-oriented supportive housing if that’s what the resident wants. I’m grateful to Supervisor Dorsey and recovery community members from all across San Francisco for their leadership and advocacy on this worthy legislation.”

The Dorsey-Mandelman legislation would establish as city policy the intent to expand the availability of site-based PSH to fully accommodate residential demand for three distinct supportive housing models:

- A. Drug-tolerant PSH, which would reflect California’s current Housing First practices that prohibit evictions for the on-site use of illicit drugs;

- B. Drug-free PSH, which would prohibit illicit drug use on-site as a condition of tenancy, but allow the use of legal substances such as alcohol and marijuana; and
- C. Recovery-oriented PSH, a sober model for those in recovery from Substance- and Alcohol-Use Disorders that aligns with standards and best practices from HUD, SAMHSA, and the National Alliance For Recovery Residences, or NARR.

The legislation would also require HSH to conduct a survey of the approximately 9,000 residents living in site-based PSH by mid-2026 to gauge their preferences for the three supportive housing models, explaining drug-related policies that apply to each. The results would be reported to the Board of Supervisors no later than January 1, 2027.

Nothing in the legislation introduced today would prohibit San Francisco from continuing to accept state-funding to expand drug-tolerant models of site-based PSH, so long as California's Housing First policies are construed to prohibit drug-free PSH options.

Anecdotal evidence suggests a strong demand among PSH residents for drug-free and recovery-oriented alternatives to the drug-tolerant standard in San Francisco. In early 2024, the executive director of the Tenderloin Housing Clinic reported "a huge demand for drug-free housing," after a survey of THC's own residents found that 71 percent would prefer to live in drug-free housing.¹ Another 2024 report quoted an HSH executive who acknowledged, "We have had a lot of people tell us this is what they want."² A more recent news report by the San Francisco Chronicle of an abstinence-based sober facility quoted a resident who praised the drug-free model, saying: "This has been the best experience thus far...It's the safest and cleanest environment, and now I'm able to really work on myself."³

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¹ "The Truth About Drug-Free Housing" by Randy Shaw, BeyondChron, Feb. 26, 2024, <https://beyondchron.org/the-truth-about-drug-free-housing/>.

² "San Francisco to Open First Permanent Supportive Housing for the Sober Community" by Sydney Johnson, KQED News, Feb. 8, 2024, <https://www.kqed.org/news/11975156/san-francisco-to-open-first-permanent-supportive-housing-for-the-sober-community>.

³ "San Francisco's first sober homeless shelter just opened. Here's what it's like inside" by Maggie Angst, *San Francisco Chronicle*, Sept. 12, 2025, <https://www.sfchronicle.com/sf/article/hope-house-homeless-shelter-21038912.php>.

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

FILE NO.

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

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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:

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 initiated;
- 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.

24

25

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

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 Housing.

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 **RECOVERY HOUSING.**

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 acknowledge 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 set forth in Section 12K.3.

6
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.

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.

5
6 APPROVED AS TO FORM:
7 DAVID CHIU, City Attorney

8 By: /s/_____
9 ANNE PEARSON
10 Deputy City Attorney

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