

1 [Increasing Relocation Payments to Tenants Evicted Under the Ellis Act]  
 2 CHAPTER 37 OF THE SAN FRANCISCO ADMINISTRATIVE CODE ("RESIDENTIAL  
 3 RENT STABILIZATION AND ARBITRATION ORDINANCE") IS HEREBY AMENDED BY  
 4 AMENDING §37.9A TO INCREASE THE AMOUNT OF RELOCATION PAYMENTS MADE  
 5 BY LANDLORDS TO LOW-INCOME TENANTS EVICTED PURSUANT TO THE ELLIS  
 6 ACT (CALIFORNIA GOVERNMENT CODE §§7060 et seq., WHICH PROVIDES OWNER  
 7 RIGHTS TO WITHDRAW UNITS FROM RESIDENTIAL RENTAL): RELOCATION  
 8 PAYMENTS FOR LOW-INCOME TENANTS ARE INCREASED FROM THE CURRENT  
 9 RANGE OF \$1,500 - \$2,500 (DEPENDING UPON THE SIZE OF THE UNIT) TO A  
 10 STANDARD \$4,500.

11  
12 Note: Additions are underlined; deletions are in ((double parentheses)).

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

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16 **Section 1.** Chapter 37 of the San Francisco Administrative Code (Residential Rent  
17 Stabilization and Arbitration Ordinance) is hereby amended by amending §37.9A, to read  
18 as follows:

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20 **SEC. 37.9A. TENANT RIGHTS IN CERTAIN DISPLACEMENTS.**

21 (a) **Rent Allowed.** Any rental unit which a tenant vacates after receiving a notice  
22 to quit relying on Section 37.9(a)(13), if again offered for rent or lease at any time, must  
23 be offered at a rent not greater than that which would have been allowed had the prior  
24 tenant or tenants remained in continuous occupancy during the entire period of the  
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1 vacancy. If it is asserted that a rent increase or increases could have taken place during  
2 the vacancy in question, the owner shall bear the burden of showing by a preponderance  
3 of the evidence that the rent could have been legally increased during the period. If it is  
4 asserted that the increase is based in whole or part on capital improvements,  
5 rehabilitation or substantial rehabilitation, the owner must petition the Rent Board  
6 pursuant to the procedures of Section 37.7 of this Chapter. No increase shall be allowed  
7 on account of any expense incurred in connection with withdrawing any unit from rent or  
8 lease.

9 **(b) Treatment of Replacement Units.** If one or more units covered by  
10 Subsection (a) is demolished, and one or more new units qualifying as rental units under  
11 this Chapter but for the date on which they first receive a certificate of final completion  
12 and occupancy are constructed on the same property, and offered for rent or lease within  
13 five years of the date  
14 the last of the original units became vacant, the newly constructed units shall be offered  
15 at rents not greater than those reasonably calculated to produce a fair and reasonable  
16 return on the newly constructed units, notwithstanding Section 37.2(r)(6) or any other  
17 provision of this Chapter. The provisions of this Chapter shall thereafter apply. The Board  
18 shall adopt rules for determining the rents necessary to provide a fair and reasonable  
19 return.

20 **(c) Rights to Re-Rent.** Any owner who again offers for rent or lease any unit  
21 covered by Subsection (a) shall first offer the unit for rent or lease to the tenants or  
22 lessees displaced from the unit on the following conditions:

23 (1) If any tenant or lessee has advised the owner in writing within 30 days of  
24 displacement of his or her desire to consider an offer to renew the tenancy and has  
25 furnished the owner with an address to which that offer is to be directed, the owner must

1 make such an offer whenever the unit is again offered for rent or lease. That tenant,  
2 lessee, or former tenant or lessee may advise the owner at any time of a change of  
3 address to which an offer is to be directed.

4 (2) If the offer is made within 10 years after the date on which the unit became  
5 vacant, the owner must make such an offer whenever the tenant or lessee requests the  
6 offer in writing within 30 days after the owner has notified the City of an intention to offer  
7 the unit again for residential rent or lease pursuant to Subsection (g). The owner shall be  
8 liable to any tenant or lessee who was displaced for failure to comply with this Subsection  
9 (2), for punitive damages in an amount which does not exceed the contract rent for six  
10 months.

11 **(d)(1) Acceptance of Re-Rental Offer.** If the owner again offers a rental  
12 unit for rent or lease, and any former tenant or lessee has advised the owner pursuant to  
13 Subsection (c) of a desire to consider, or requested, an offer to renew the tenancy, then  
14 the owner shall offer to reinstitute a rental agreement or lease at rents permitted under  
15 Subsection (a) and on terms equivalent to those available to that displaced tenant or  
16 lessee prior to displacement. This offer shall be deposited in the United States mail, by  
17 registered or certified mail with postage prepaid, addressed to the displaced tenant or  
18 lessee at the address furnished to the owner as provided in Subsection (c) and shall  
19 describe the terms of the offer. The displaced tenant or lessee shall have 30 days from  
20 the deposit of the offer in the mail to accept the offer by personal delivery of that  
21 acceptance or by deposit of the acceptance in the United States mail by registered or  
22 certified mail with postage prepaid.

23 (2) If more than one tenant or lessee attempts to accept the offer for a given  
24 unit, the landlord shall notify each tenant or lessee so accepting that other acceptances  
25 have been received, and shall further advise each such tenant or lessee of the names

1 and addresses of the others. If all such tenants or lessees do not within 30 days  
2 thereafter agree and notify the landlord of which tenant(s) or lessee(s) will reoccupy the  
3 unit, the tenant(s) or lessee(s) who first occupied the unit previously shall be entitled to  
4 accept the landlord's offer. If more than one eligible tenant or lessee initially occupied the  
5 unit on the same date, then the first such tenant or lessee to have originally sent notice  
6 accepting the landlord's offer shall be entitled to occupy the unit.

7 **(e) Re-Rental Within One Year.** If a unit covered by Subsection (a) is  
8 offered for rent or lease within one year after it became vacant::

9 (1) The owner shall be liable to any tenant or lessee who was displaced from  
10 the property for actual damages which were the proximate result of that displacement, as  
11 defined and limited by the standards for compensation or payments applied to public  
12 entities with respect to rental dwellings by Sections 7262 and 7264 of the California  
13 Government Code, and for punitive damages in an amount which does not exceed the  
14 contract rent for six months. Any action by a tenant or lessee pursuant to this paragraph  
15 shall be brought within two years of displacement. However, nothing in this paragraph  
16 precludes a tenant from pursuing any alternative remedy available under the law.

17 (2) The City may institute a civil proceeding against the owner who has again  
18 offered the unit for rent or lease for exemplary damages for displacement of tenants or  
19 lessees. The exemplary damages shall not exceed the contract rent for six months for  
20 any unit or units from which a tenant or lessee was displaced by withdrawal of the unit  
21 from rent or lease. Any action by the City pursuant to this paragraph shall be brought  
22 within three years of the withdrawal of the unit from rent or lease.

23 **(f) Payments to Low-Income, Elderly and Disabled Tenants.** Where a  
24 landlord seeks eviction based upon Section 37.9(a)(13), the relocation payments  
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1 described in this Subsection shall be limited to tenants who are members of lower income  
2 households, who are elderly, or who are disabled, as defined below.

3 (1) Tenants who are members of lower income households, as defined by  
4 Section 50079.5 of the California Health and Safety Code, and who receive a notice to  
5 quit based upon Section 37.9(a)(13), in addition to all rights under any other provisions of  
6 law, shall be entitled to receive \$4,500 before vacating the premises. ((the following  
7 sums:

8 (A) If the unit is a studio (one or two rooms), \$1,500; or

9 (B) If the unit is a one-bedroom (three rooms), \$1,750; or

10 (C) If the unit contains two or more separate bedrooms, \$2,500.))

11 (2) With respect to Subparagraphs (1)(A) - (C) above, the Mayor's Office of  
12 Housing or its successor agency shall annually determine the income limits for lower  
13 income households, adjusted for household size.

14 (3) Notwithstanding Subsection (1), and irrespective of the size of the unit, any  
15 tenant who receives a notice to quit under Section 37.9(a)(13) and who, at the time such  
16 notice is served, is 62 years of age or older, or who is disabled within the meaning of  
17 Section 50072 of the California Health and Safety Code, shall be entitled to receive  
18 \$3,000.

19 (4) The payments due pursuant to this Subsection (f) for any unit which is  
20 occupied by more than one tenant shall be divided equally among all the occupying  
21 tenants, excluding those tenants who are separately entitled to payments under  
22 Subsection (f)(3) above.

23 (5) Any notice to quit pursuant to Section 37.9(a)(13) shall notify the tenant or  
24 tenants concerned of the right to receive payment under this Subsection and the amount  
25 of payment which the landlord believes to be due.



1 (3) Where an owner satisfies the requirements of Subsections (g)(1) and (g)(2),  
2 the date on which the units are withdrawn from rent or lease for purposes of this Chapter  
3 is 60 days from the delivery in person or by first-class mail of the notice to the public  
4 entity.

5 (4) The owner shall notify any tenant or lessee to be displaced that the City has  
6 been notified pursuant to Subsection (f)(1), that the notice specified the name and the  
7 amount of rent paid by the tenant or lessee as an occupant of the rental unit, and of the  
8 amount of rent the owner specified in the notice, together with a notice to the tenant or  
9 lessee of his or her rights under Subsection (f)(1) of this Section.

10 (5) The owner shall notify the Board in writing of any intention to again offer for  
11 rent or lease any rental unit as to which notice was given under Subsection (g)(1), or  
12 which is covered by Subsection (a).

13 **(h) Successor Owners.** The provisions of this Section 37.9A shall apply to the  
14 owner of a rental unit at the time displacement of a tenant or tenants is initiated and to  
15 any successor in interest of the owner, subject to the provisions of Chapter 12.75 of  
16 Division 7 of Title 1 of the California Government Code.

17 **(i)(1) Reports Required.** Not later than the last day of the third and sixth  
18 calendar months following the month in which notice is given to the Board under  
19 Subsection (g)(1), and thereafter not later than December 31st of each calendar year for  
20 a period of five years, beginning with the year in which the six-month notice is given, the  
21 owner of any property which contains or formerly contained one or more rental units  
22 which a tenant or tenants vacated pursuant to Section 37.9(a)(13) shall notify the Board,  
23 in writing, under penalty of perjury, for each such unit:

24 (A) Whether the unit has been demolished;

25 (B) If the unit has not been demolished, whether it is in use;

1 (C) If it is in use, whether it is in residential use;

2 (D) If it is in residential use, the date the tenancy began, the name of the  
3 tenant(s), and the amount of rent charged.

4 If the unit has been demolished, and one or more new units constructed on the lot,  
5 the owner shall furnish the information required by items (B), (C) and (D) for each new  
6 unit. The Board shall maintain a record of the notice received under Subsection (g) and  
7 all notices received under this Section for each unit subject to this reporting requirement.

8 (2) The Board shall notify each person who is reported as having become a  
9 tenant in a vacated or new unit subject to the reporting requirements of Subsection (1)  
10 that it maintains the records described in Subsection (1), and that the rent of the unit may  
11 be restricted pursuant to Subsection (a) of this Section.

12 (j) This Section 37.9A is enacted principally to exercise specific authority  
13 provided for by Chapter 12.75 of Division 7 of Title 1 of the California Government Code  
14 as enacted by Stats. 1985, Ch. 1509, Section 1. In the case of any amendment to  
15 Chapter 12.75 or any other provision of State law which amendment is inconsistent with  
16 this Section, this Section shall be deemed to be amended to be consistent with State law,  
17 and to the extent it cannot be so amended shall be interpreted to be effective as  
18 previously adopted to the maximum extent possible.

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22 **Section 2.** Findings in support of the amendment set forth above in Section 1 of this  
23 Ordinance, amending Chapter 37 of the San Francisco Administrative Code (Residential  
24 Rent Stabilization and Arbitration Ordinance), are as follows:



1           WHEREAS, tenants evicted in San Francisco under the Ellis Act (Government  
2 Code §§7060, et seq.) are forced to incur substantial costs to relocate themselves and  
3 their families to new housing; and,

4           WHEREAS, these costs include but are not limited to new apartment move-in  
5 costs, actual moving costs, new utility hookups, non-refundable application deposits,  
6 payments for temporary housing, and lost work time while seeking housing; and,

7           WHEREAS, the residential rental vacancy rate in San Francisco is less than two  
8 percent, and tenants seeking new housing in San Francisco commonly must first acquire  
9 temporary housing and devote substantial time to search for new housing; and,

10           WHEREAS, a tenant household staying in temporary housing for one week could  
11 reasonably be expected to pay \$60 per day for housing in a budget hotel and \$420 in  
12 relocation expenses; and,

13           WHEREAS, tenants who have found acceptable new housing in San Francisco  
14 commonly find themselves required to pay substantial move-in costs of first and last  
15 month's rent plus a security deposit equal to one month's rent. According to the  
16 September 1999 listings by Rent Tech, a rental and roommate referral service with over  
17 7,000 rental units, and according to 1999 surveys on vacant units by tenant groups, the  
18 average rent for a vacant 2-bedroom apartment is over \$2,023 per month, resulting in a  
19 move-in cost of slightly over \$6,000; and,

20           WHEREAS, tenants seeking new housing in San Francisco can be expected to  
21 lose substantial work time searching for new housing and handling tasks associated with  
22 acquiring such housing, including arranging address changes for banking services, and  
23 locating schools or places of worship more convenient to a new geographical location.  
24 The search and acquisition of new housing can reasonably be expected to result in the  
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1 loss of five or more days of work which, if the person is earning a living wage of \$14.00  
2 per hour in San Francisco, results in a potential loss of income of over \$560; and,

3 WHEREAS, upon finding new housing, tenants will incur substantial expenses to  
4 actually move their household, including but not limited to the actual cost of a mover as  
5 well as re-establishing various utilities. Based on the federal "Residential Moving  
6 Expense and Dislocation Allowance Payment Schedule" as published in the Federal  
7 Register of March 2, 1989, the cost of actually moving a four room apartment in California  
8 is approximately \$650. Because of inflation, these costs would be even higher today;  
9 and,

10 WHEREAS, tenants forced to move under the Ellis Act could be reasonably  
11 expected to incur well over \$4,500 in expenses to effectuate that move, through paying  
12 for temporary housing, lost wages, new apartment move-in costs, actual moving costs,  
13 and various miscellaneous costs, and the actual cost can be reasonably estimated to be  
14 at least \$6,980; and,

15 WHEREAS, tenants who are forced to move pursuant to an Ellis Act eviction  
16 notice are being evicted through no fault of their own, and are forced to move  
17 involuntarily; and,

18 WHEREAS, tenants who do not have adequate funds to move and who are forced  
19 to move pursuant to an Ellis Act eviction notice face severe risk of homelessness, and  
20 evictions that are done with inadequate relocation benefits will impose a great hardship to  
21 the health and well-being of the evicted tenants.

22 THEREFORE, it is found that the relocation payments to tenants as provided in  
23 §37.9A should be increased as set forth herein.

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APPROVED AS TO FORM:  
LOUISE H. RENNE, City Attorney

By:   
MARIE CORLETT BLITS  
Deputy City Attorney



# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails Ordinance

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**File Number:** 992236

**Date Passed:**

Ordinance amending Chapter 37 of the San Francisco Administrative Code ("Residential Rent Stabilization and Arbitration Ordinance") by amending Section §37.9A to increase the amount of relocation payments made by landlords to low-income tenants evicted pursuant to the Ellis Act (California Government Code §§7060 et seq., which provides owners rights to withdraw units from residential rental): relocation payments for low-income tenants are increased from the current range of \$1,500 - \$2,500 (depending upon the size of the unit) to a standard \$4,500.

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December 20, 1999 Board of Supervisors — PASSED ON FIRST READING

Ayes: 8 - Ammiano, Becerril, Bierman, Brown, Katz, Leno, Teng, Yaki  
Excused: 3 - Kaufman, Newsom, Yee

January 4, 2000 Board of Supervisors — FINALLY PASSED

Ayes: 7 - Ammiano, Becerril, Bierman, Brown, Leno, Teng, Yaki  
Absent: 1 - Katz  
Excused: 3 - Kaufman, Newsom, Yee

File No. 992236

I hereby certify that the foregoing Ordinance  
was **FINALLY PASSED** on January 4, 2000  
by the Board of Supervisors of the City and  
County of San Francisco.



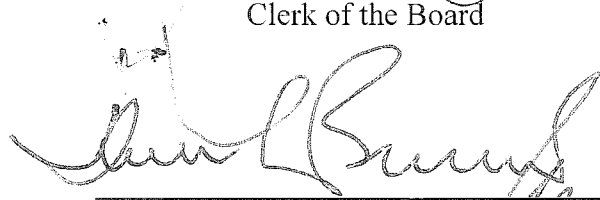
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Gloria L. Young  
Clerk of the Board

JANUARY 14, 2000

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Date Approved



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Mayor Willie L. Brown Jr.