

1 [Administrative Code - Definition of Tourist or Transient Use Under Hotel Conversion
Ordinance]

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3 **Ordinance amending the Administrative Code to amend the definition of Tourist or**
 4 **Transient Use under the Residential Hotel Unit Conversion Ordinance, from a term of**
 5 **tenancy of less than 30 days to a term of tenancy of less than seven days, through**
 6 **December 31, 2021, and starting on January 1, 2022, back to a term of tenancy of less**
 7 **than 30 days, to provide a two year amortization period applicable to hotels currently**
 8 **regulated under the Ordinance; to provide a process by which the owners or operators**
 9 **of regulated hotels can request that the amortization period be longer, on a case-by-**
 10 **case basis; and affirming the Planning Department's determination under the California**
 11 **Environmental Quality Act.**

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

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

20 Section 1. Environmental Findings.

21 The Planning Department has determined that the actions contemplated in this
 22 ordinance comply with the California Environmental Quality Act (California Public Resources
 23 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of
 24 Supervisors in File No. ____ and is incorporated herein by reference. The Board affirms this
 25 determination.

1 Section 2. Chapter 41 of the Administrative Code is hereby amended by revising
2 Section 41.4, adding new Section 41.23, and renumbering existing Section 41.23 as Section
3 41.24, to read as follows:

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5 **SEC. 41.4. DEFINITIONS.**

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7 Tourist or Transient Use. Any use of a guest room for less than a ~~30~~-7-day term of
8 tenancy by a party other than a Permanent Resident, through December 31, 2021. Starting
9 January 1, 2022, Tourist or Transient Use shall mean any use of a guest room for less than a 30-day
10 term of tenancy by a party other than a Permanent Resident, unless a hotel owner or operator
11 demonstrates, in accordance with the process described in Section 41.23, that a longer time is
12 necessary to recover reasonable investments in the owner or operator’s hotel.

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15 **SEC. 41.23. AMORTIZATION.**

16 (a) A hotel owner or operator may seek to extend the time during which the term “Tourist or
17 Transient Use” shall mean “any use of a guest room for less than a 7-day term of tenancy by a party
18 other than a Permanent Resident” beyond December 31, 2021, through the process described in
19 subsections (b) and (c).

20 (b) The owner or operator may file a request to extend such period of time to a reasonable time
21 specified, by submitting the request to the Building Inspection Commission (“Commission”), on or
22 before December 31, 2020. Commission staff shall amply publicize this deadline, to give notice to
23 interested hotel owners of the provisions of this subsection. When considering a reasonable extension,
24 the Commission shall consider:

25 (A) The total cost of the hotel owner or operator’s investments to the hotel;

1 (B) The length of time those investments have been in place;

2 (C) Suitability of the investments for residential hotel use; and

3 (D) Any other relevant factors to determining the owner or operator's reasonable
4 return on investments.

5 (c) The Commission shall consider the application at a public hearing. The Commission shall
6 decide whether an extension would be reasonable according to the above factors, and, if so, for how
7 long. The Commission may determine that a reasonable extension is warranted but for a shorter
8 period of time than specified in the owner or operator's request.

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10 **SEC. 41.234. CONSTRUCTION.**

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13 Section 3. Effective Date. This ordinance shall become effective 30 days after
14 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
15 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
16 of Supervisors overrides the Mayor's veto of the ordinance.

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1 Section 4. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
2 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
3 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
4 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
5 additions, and Board amendment deletions in accordance with the "Note" that appears under
6 the official title of the ordinance.

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8 APPROVED AS TO FORM:
9 DENNIS J. HERRERA, City Attorney

10 By: _____
11 ANDREA RUIZ-ESQUIDE
12 Deputy City Attorney

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