

1 [Reducing the maximum Annual Residential Rent Ordinance Fee from \$27 to \$26 per unit,
2 and eliminating the 2002 two-year sunset provision.]

3 **Ordinance amending Administrative Code Chapter 37A "Residential Rent Stabilization**
4 **and Arbitration Fee" by amending Section 37A.2 to reduce the maximum Annual**
5 **Residential Rent Ordinance Fee from \$27 per unit to \$26 per unit, and to eliminate the**
6 **two-year sunset provision enacted in 2002 so that an owner may continue to recover**
7 **up to \$21.50 per unit from tenants; and, making environmental findings.**

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9 Note: Additions are *single-underline italics Times New Roman font*;
10 deletions are *strikethrough italics Times New Roman font*.
11 Board amendment additions are double underlined Arial font;
Board amendment deletions are ~~strikethrough Arial font~~.

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

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14 Section 1. The San Francisco Administrative Code is hereby amended by amending
15 Section 37A.2, to read as follows:

16 SEC. 37A.2. FINDINGS.

17 The Board of Supervisors hereby finds:

18 (a) In Section 37.1 of this Code, the Board of Supervisors found that there was a
19 shortage of decent, safe and sanitary housing in the City and County of San Francisco
20 resulting in a critically low vacancy factor. The Board further found that rent regulation was
21 necessary in order to alleviate the ill effects of the City's housing shortage to meet the need
22 for affordable housing, and to advance the City's housing policies. The Board now hereby
23 finds that this housing shortage still persists and that rent regulation continues to be a
24 necessary and effective means of mitigating this condition.

25 (b) By Ordinance No. 276-79, adopted June 12, 1979, the Board of Supervisors

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1 enacted the Residential Rent Stabilization and Arbitration Ordinance (“Rent Ordinance,”
2 Chapter 37, San Francisco Administrative Code) to regulate residential rents in San
3 Francisco. The Ordinance created the Residential Rent Stabilization and Arbitration Board
4 (“Rent Board,” Sections 37.1(a), (b) and 37.4) to administer and enforce the Rent Ordinance
5 and thereby safeguard tenants from excessive increases while at the same time assure
6 landlords fair and adequate rents. The Rent Board benefits both landlords and tenants by
7 providing for the orderly and efficient administration of the Rent Ordinance and by protecting
8 tenants from unreasonable rent increases and displacement while assuring that landlords
9 receive fair rents consistent with the Ordinance.

10 (c) It is fair and reasonable that the costs of administering and enforcing the Rent
11 Ordinance through the Rent Board should be equitably distributed among the City's residential
12 units.

13 Therefore, the Board finds that the owner of each residential unit as defined in Section
14 37A.1 above shall be required to pay an annual Rent Stabilization and Arbitration fee for each
15 unit.

16 (d) The fee for each residential unit shall equal the projected annual cost of funding
17 the Rent Board plus related administrative costs pursuant to Section 10.194 of this Code
18 including, but not limited to, the Tax Collector and Controller, divided by the total number of
19 residential units estimated to pay the fee minus any balance remaining in the fund set forth in
20 Section 10.117-88 of this Code; provided, however, that in calculating the fee, the Controller
21 shall round up any fraction of a dollar to the next whole dollar; provided further, however, that
22 the fee shall in no event exceed ~~\$27.00~~ \$26.00 per residential unit. For the purposes of this
23 calculation, a guest room shall be counted as one-half of a residential unit and shall be
24 charged half the fee. The Assessor and the Director of the Department of Building Inspection
25 shall release to the Information Services Division (ISD) of the Department of

1 Telecommunications and Information Services (DTIS) by June 1st information necessary for
2 compilation of the billing list. The Controller shall compile the list, determine the total number
3 of residential units and calculate the fee by July 31st. The fee shall be recalculated on July
4 31st each year.

5 (e) The fee herein is for regulatory purposes only. It is not designed or intended for
6 revenue purposes. Any surplus collected in a given year will reduce the fee in the next fiscal
7 year.

8 (f) ~~The increase in the fee set forth in subsection (d) and the landlord's right to recover up
9 to that amount from tenants, as set forth in Section 37A.6(a), shall sunset two years from the effective
10 date of the ordinance authorizing such increase. After the provisions of Section 37A.2 and 37A.6
11 authorizing the fee increase sunset, the City Attorney may amend those sections to reinstate the \$16.00
12 fee and the landlord's right to recover up to the full amount of that fee from the tenants.~~

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14 Section 2. Making Environmental Findings. The Planning Department has determined that the
15 actions contemplated in this Ordinance are in compliance with the California Environmental Quality
16 Act (California Public Resources Code sections 21000 et seq.). Said determination is on file with the
17 Clerk of the Board of Supervisors in File No. _____ and is incorporated herein by reference.

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20 APPROVED AS TO FORM:
21 DENNIS J. HERRERA, City Attorney

22 By: MARIE CORLETT BLITS
23 Deputy City Attorney

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