

1 [Residential Rent Ordinance: Prohibit rent increases and evictions based on additional
2 occupants where total number is within Housing Code Section 503 occupancy limits.]

3 **Draft ordinance amending Administrative Code Chapter 37 “Residential Rent**
4 **Stabilization and Arbitration Ordinance” by amending Sections 37.3 and 37.9: to**
5 **prohibit rent increases based on the addition of occupants, even where a pre-existing**
6 **rental agreement or lease otherwise permits a rent increase for additional occupants**
7 **(Section 37.3(a)(11)); and to prohibit evictions based on the addition of occupants, so**
8 **long as the total number of occupants does not exceed the maximum number of**
9 **occupants per sleeping room set by San Francisco Housing Code §503(b) "superficial**
10 **floor area" standards (Section 37.9(a)(2)).**

11 NOTE: Additions are *single-underline italics Times New Roman*;
12 deletions are *strike-through italics Times New Roman*.
13 Board amendment additions are double-underlined Arial;
Board amendment deletions are ~~strikethrough Arial~~.

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

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16 Section 1. The San Francisco Administrative Code is hereby amended by amending
17 Section 37.3, to read as follows:

18 SEC. 37.3. RENT LIMITATIONS.

19 (a) Rent Increase Limitations for Tenants in Occupancy. Landlords may impose rent
20 increases upon tenants in occupancy only as provided below and as provided by Subsection
21 37.3(d):

22 (1) Annual Rent Increase. On March 1st of each year, the Board shall publish the
23 increase in the CPI for the preceding 12 months, as made available by the U.S. Department of
24 Labor. A landlord may impose annually a rent increase which does not exceed a tenant's
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1 base rent by more than 60 percent of said published increase. In no event, however, shall the
2 allowable annual increase be greater than seven percent.

3 (2) Banking. A landlord who refrains from imposing an annual rent increase or any
4 portion thereof may accumulate said increase and impose that amount on the tenant's
5 subsequent rent increase anniversary dates. A landlord who, between April 1, 1982, and
6 February 29, 1984, has banked an annual seven percent rent increase (or rent increases) or
7 any portion thereof may impose the accumulated increase on the tenant's subsequent rent
8 increase anniversary dates.

9 (3) Capital Improvements, Rehabilitation, and Energy Conservation Improvements,
10 and Renewable Energy Improvements. A landlord may impose rent increases based upon the
11 cost of capital improvements, rehabilitation, energy conservation improvements, or renewable
12 energy improvements, provided that such costs are certified pursuant to Sections 37.7 and
13 37.8B below; provided further that where a landlord has performed seismic strengthening in
14 accordance with Building Code Chapters 16B and 16C, no increase for capital improvements
15 (including but not limited to seismic strengthening) shall exceed, in any 12 month period, 10
16 percent of the tenant's base rent, subject to rules adopted by the Board to prevent landlord
17 hardship and to permit landlords to continue to maintain their buildings in a decent, safe and
18 sanitary condition. A landlord may accumulate any certified increase which exceeds this
19 amount and impose the increase in subsequent years, subject to the 10 percent limitation.
20 Nothing in this subsection shall be construed to supersede any Board rules or regulations with
21 respect to limitations on increases based upon capital improvements whether performed
22 separately or in conjunction with seismic strengthening improvements pursuant to Building
23 Code Chapters 16B and 16C.

24 (4) Utilities. A landlord may impose increases based upon the cost of utilities as
25 provided in Section 37.2(q) above.

1 (5) Water: Charges Related to Excess Water Use, and 50% Passthrough of Water Bill
2 Charges Attributable to Water Rate Increases Resulting From Issuance of Water System
3 Improvement Revenue Bonds Authorized at the November 2002 Election.

4 (A) Charges Related to Excess Water Use. A landlord may impose increases not to
5 exceed 50 percent of the excess use charges (penalties) levied by the San Francisco Water
6 Department on a building for use of water in excess of Water Department allocations under
7 the following conditions:

8 (i) The landlord provides tenants with written certification that the following have been
9 installed in all units: (1) permanently installed retrofit devices designed to reduce the amount
10 of water used per flush or low-flow toilets (1.6 gallons per flush); (2) low-flow showerheads
11 which allow a flow of no more than 2.5 gallons per minute; and (3) faucet aerators (where
12 installation on current faucets is physically feasible); and

13 (ii) The landlord provides the tenants with written certification that no known plumbing
14 leaks currently exist in the building and that any leaks reported by tenants in the future will be
15 promptly repaired; and

16 (iii) The landlord provides the tenants with a copy of the water bill for the period in
17 which the penalty was charged. Only penalties billed for a service period which begins after
18 the effective date of the ordinance [April 20, 1991] may be passed through to tenants. Where
19 penalties result from an allocation which does not reflect documented changes in occupancy
20 which occurred after March 1, 1991, a landlord must, if requested in writing by a tenant, make
21 a good-faith effort to appeal the allotment. Increases based upon penalties shall be prorated
22 on a per-room basis provided that the tenancy existed during the time the penalty charges
23 accrued. Such charges shall not become part of a tenant's base rent. Where a penalty in any
24 given billing period reflects a 25 percent or more increase in consumption over the prior billing
25 period, and where that increase does not appear to result from increased occupancy or any

1 other known use, a landlord may not impose any increase based upon such penalty unless
2 inspection by a licensed plumber or Water Department inspector fails to reveal a plumbing or
3 other leak. If the inspection does reveal a leak, no increase based upon penalties may be
4 imposed at any time for the period of the unrepaired leak.

5 (B) Fifty Percent (50%) Passthrough of Water Bill Charges Attributable to Water
6 Increases Resulting From Issuance of Water System Improvement Revenue Bonds
7 Authorized at the November 2002 Election. A landlord may pass through fifty percent (50%) of
8 the water bill charges attributable to water rate increases resulting from issuance of Water
9 System Improvement Revenue Bonds authorized at the November 2002 election (Proposition
10 A), to any unit that is in compliance with any applicable laws requiring water conservation
11 devices. The landlord is not required to file a petition with the Board for approval of such a
12 cost passthrough. Such cost passthroughs are subject to the following:

13 (i) Affected tenants shall be given notice of any such passthrough as provided by
14 applicable notice of rent increase provisions of this Chapter 37, including but not limited to
15 Section 37.3(b)(3).

16 (ii) A tenant may file a hardship application with the Board, and be granted relief from
17 all or part of such a cost passthrough.

18 (iii) If a tenant's hardship application is granted, the tenant's landlord may utilize any
19 available Public Utilities Commission low-income rate discount program or similar program for
20 water bill reduction, based on that tenant's hardship status.

21 (iv) A landlord shall not impose a passthrough pursuant to Section 37.3(a)(5)(B) if the
22 landlord has filed for or received Board approval for a rent increase under Section 37.8(e)(4)
23 for increased operating and maintenance expenses in which the same increase in water bill
24 charges attributable to water rate increases resulting from issuance of any water revenue
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1 bonds authorized at the November 5, 2002 election was included in the comparison year cost
2 totals.

3 (v) Where a tenant alleges that a landlord has imposed a water revenue bond
4 passthrough that is not in compliance with Section 37.3(a)(5)(B), the tenant may petition for a
5 hearing under the procedures provided by Section 37.8. In such a hearing the landlord shall
6 have the burden of proving the accuracy of the calculation that is the basis for the increase.
7 Any tenant petition challenging such a passthrough must be filed within one year of the
8 effective date of the passthrough.

9 (vi) A tenant who has received a notice of passthrough or a passthrough under this
10 Section 37.3(a)(5)(B) shall be entitled to receive a copy of the applicable water bill from the
11 landlord upon request.

12 (vii) The amount of permissible passthrough per unit under this Section 37.3(a)(5)(B)
13 shall be determined as follows:

14 (1) The San Francisco Public Utilities Commission will determine the charge per unit
15 of water, if any, that is attributable to water rate increases resulting from issuance of water
16 system improvement revenue bonds authorized at the November 5, 2002 election.

17 (2) The charge identified in Section 37.3(a)(5)(B)(vii)(1) shall be multiplied by the total
18 units of water used by each customer, for each water bill. The result is the total dollar amount
19 of the water bill that is attributable to water rate increases resulting from issuance of water
20 system improvement revenue bonds authorized at the November 5, 2002 election. That
21 charge shall be a separate line item on each customer's water bill.

22 (3) The dollar amount calculated under Section 37.3(a)(5)(B)(vii)(2) shall be divided
23 by two (since a 50% passthrough is permitted), and then divided by the total number of units
24 covered by the water bill, including commercial units. The resulting dollar figure shall be
25 divided by the number of months covered by the water bill cycle (most are two-month bill

1 cycles), to determine the amount of that water bill that may be passed through to each
2 residential unit for each month covered by that bill.

3 (4) These passthroughs may be imposed on a monthly basis. These passthroughs
4 shall not become part of a tenant's base rent. The amount of each passthrough may vary from
5 month to month, depending on the amount calculated under Sections 37.3(a)(5)(B)(vii)(1)
6 through (3).

7 (viii) The Board may amend its rules and regulations as necessary to implement this
8 Section 37.3(a)(5)(B).

9 (6) Property Tax. A landlord may impose increases based upon a 100% passthrough
10 of the change in the landlord's property tax resulting from the repayment of general obligation
11 bonds of the City and County of San Francisco approved by the voters between November 1,
12 1996, and November 30, 1998 as provided in Section 37.2(q) above.

13 A landlord may impose increases based upon a 50% passthrough of the change in the
14 landlord's property tax resulting from the repayment of San Francisco Unified School District
15 or San Francisco Community College District general obligation bonds approved by the voters
16 after November 1, 2006, as provided in Section 37.2(q) above.

17 The amount of such increases shall be determined for each tax year as follows:

18 (A) For general obligation bonds of the City and County of San Francisco approved by
19 the voters between November 1, 1996 and November 30, 1998:

20 (i) The Controller and the Board of Supervisors will determine the percentage of the
21 property tax rate, if any, in each tax year attributable to general obligation bonds approved by
22 the voters between November 1, 1996, and November 30, 1998, and repayable within such
23 tax year.

24 (ii) This percentage shall be multiplied by the total amount of the net taxable value for
25 the applicable tax year. The result is the dollar amount of property taxes for that tax year for a

1 particular property attributable to the repayment of general obligation bonds approved by the
2 voters between November 1, 1996, and November 30, 1998.

3 (iii) The dollar amount calculated under Subsection (ii) shall be divided by the total
4 number of all units in each property, including commercial units. That figure shall be divided
5 by 12 months, to determine the monthly per unit costs for that tax year of the repayment of
6 general obligation bonds approved by the voters between November 1, 1996, and November
7 30, 1998.

8 (B) For general obligation bonds of the City and County of San Francisco approved by
9 the voters after November 14, 2002 where any rent increase has been disclosed and
10 approved by the voters:

11 (i) The Controller and the Board of Supervisors will determine the percentage of the
12 property tax rate, if any, in each tax year attributable to general obligation bonds approved by
13 the voters after November 14, 2002 and repayable within such tax year.

14 (ii) This percentage shall be multiplied by the total amount of the net taxable value for
15 the applicable tax year. The result is the dollar amount of property taxes for that tax year for a
16 particular property attributable to the repayment of general obligation bonds approved by the
17 voters after November 14, 2002.

18 (iii) The dollar amount calculated under Subsection (ii) shall be divided by two, and
19 then by the total number of all units in each property, including commercial units. That figure
20 shall be divided by 12 months, to determine the monthly per unit costs for that tax year of the
21 repayment of general obligation bonds approved by the voters after November 14, 2002.

22 (C) For general obligation bonds of the San Francisco Unified School District or San
23 Francisco Community College District approved by the voters after November 1, 2006:

24 (i) The Controller and the Board of Supervisors will determine the percentage of the
25 property tax rate, if any, in each tax year attributable to San Francisco Unified School District

1 or San Francisco Community College District general obligation bonds approved by the voters
2 after November 1, 2006 and repayable within such tax year.

3 (ii) This percentage shall be multiplied by the total amount of the net taxable value for
4 the applicable tax year. The result is the dollar amount of property taxes for that tax year for a
5 particular property attributable to the repayment of San Francisco Unified School District or
6 San Francisco Community College District general obligation bonds approved by the voters
7 after November 1, 2006.

8 (iii) The dollar amount calculated under Subsection (ii) shall be divided by two, and
9 then by the total number of all units in each property, including commercial units. That figure
10 shall be divided by 12 months, to determine the monthly per unit costs for that tax year of the
11 repayment of San Francisco Unified School District or San Francisco Community College
12 District general obligation bonds approved by the voters after November 1, 2006.

13 (D) Landlords may pass through to each unit in a particular property the dollar amount
14 calculated under these Subsections 37.3(a)(6)(A) and (B) and (C). These passthroughs may
15 be imposed only on the anniversary date of each tenant's occupancy of the property. These
16 passthroughs shall not become a part of a tenant's base rent. The amount of each annual
17 passthrough imposed pursuant to this Subsection (6) may vary from year-to-year, depending
18 on the amount calculated under Subsections (A) and (B) and (C). Each annual passthrough
19 shall apply only for the 12 month period after it is imposed. A landlord may impose the
20 passthroughs described in this Subsection (6) for a particular tax year only with respect to
21 those tenants who were residents of a particular property on November 1st of the applicable
22 tax year. A landlord shall not impose a passthrough pursuant to this Subsection (6) if the
23 landlord has filed for or received Board approval for a rent increase under Section 37.8(e)(4)
24 for increased operating and maintenance expenses in which the same increase in property
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1 taxes due to the repayment of general obligation bonds was included in the comparison year
2 cost totals.

3 (E) The Board will have available a form which explains how to calculate the
4 passthrough.

5 (F) Landlords must provide to tenants, on or before the date that notice is served on
6 the tenant of a passthrough permitted under this Subsection (6), a copy of the completed form
7 described in Subsection (E). This completed form shall be provided in addition to the Notice of
8 Rent Increase required under Section 37.3(b)(5). Where a tenant alleges that a landlord has
9 imposed a charge which exceeds the limitations set forth in this Subsection (6), the tenant
10 may petition for a hearing under the procedures provided by Section 37.8. In such a hearing,
11 the landlord shall have the burden of proving the accuracy of the calculation that is the basis
12 for the increase. Any tenant petitions challenging such a passthrough must be filed within one
13 year of the effective date of the passthrough.

14 (G) The Board may amend its rules and regulations as necessary to implement this
15 Subsection (6).

16 (7) RAP Loans. A landlord may impose rent increases attributable to the City
17 Administrator's amortization of the RAP loan in an area designated on or after July 1, 1977,
18 pursuant to Chapter 32 of the San Francisco Administrative Code.

19 (8) Additional Increases. A landlord who seeks to impose any rent increase which
20 exceeds those permitted above shall petition for a rental arbitration hearing pursuant to
21 Section 37.8 of this Chapter.

22 (9) A landlord may impose a rent increase to recover costs incurred for the
23 remediation of lead hazards, as defined in San Francisco Health Code Article 11 or 26. Such
24 increases may be based on changes in operating and maintenance expenses or for capital
25 improvement expenditures as long as the costs which are the basis of the rent increase are a

1 substantial portion of the work which abates or remediates a lead hazard, as defined in San
2 Francisco Health Code Article 11 or 26, and provided further that such costs are approved for
3 operating and maintenance expense increases pursuant to Section 37.8(e)(4)(A) and certified
4 as capital improvements pursuant to Section 37.7 below.

5 When rent increases are authorized by this Subsection 37.3(a)(9), the total rent
6 increase for both operating and maintenance expenses and capital improvements shall not
7 exceed 10 percent in any 12 month period. If allowable rent increases due to the costs of lead
8 remediation and abatement work exceed 10 percent in any 12 month period, an
9 Administrative Law Judge shall apply a portion of such excess to approved operating and
10 maintenance expenses for lead remediation work, and the balance, if any, to certified capital
11 improvements, provided, however, that such increase shall not exceed 10 percent. A landlord
12 may accumulate any approved or certified increase which exceeds this amount, subject to the
13 10 percent limit.

14 (10) With respect to units occupied by recipients of tenant-based rental assistance:

15 (A) If the tenant's share of the base rent is not calculated as a fixed percentage of the
16 tenant's income, such as in the Section 8 voucher program and the Over-FMR Tenancy
17 Program, then:

18 (i) If the base rent is equal to or greater than the payment standard, the rent increase
19 limitations in Sections 37.3(a)(1) and (2) shall apply to the entire base rent, and the arbitration
20 procedures for those increases set forth in Section 37.8 and 37.8A shall apply.

21 (ii) If the base rent is less than the payment standard, the rent increase limitations of
22 this Chapter shall not apply; provided, however, that any rent increase which would result in
23 the base rent being equal to or greater than the payment standard shall not result in a new
24 base rent that exceeds the payment standard plus the increase allowable under Section
25 37.3(a)(1).

1 (B) If the tenant's share of the base rent is calculated as a fixed percentage of the
2 tenant's income, such as in the Section 8 certificate program and the rental subsidy program
3 for the HOPWA program, the rent increase limitations in Section 37.3(a)(1) and (2) shall not
4 apply. In such circumstances, adjustments in rent shall be made solely according to the
5 requirements of the tenant-based rental assistance program.

6 (11) No extra rent may be charged solely for an additional occupant to an existing tenancy
7 (including, but not limited to, a newborn child or family member as defined by Section 401 of the
8 Housing Code), notwithstanding a rental agreement or lease that specifically permits a rent increase
9 for additional tenants, so long as one or more of the occupants of the unit pursuant to the agreement
10 with the owner remains an occupant in lawful possession of the unit, or so long as a lawful sublessee or
11 assignee who resided in the unit prior to January 1, 1996 remains in possession of the unit. Such
12 "extra rent" provisions in written or oral rental agreements or leases are deemed to be contrary to
13 public policy.

14 (b) Notice of Rent Increase for Tenants in Occupancy. On or before the date upon
15 which a landlord gives a tenant legal notice of a rent increase, the landlord shall inform the
16 tenant, in writing, of the following:

17 (1) Which portion of the rent increase reflects the annual increase, and/or a banked
18 amount, if any;

19 (2) Which portion of the rent increase reflects costs for increased operating and
20 maintenance expenses, rents for comparable units, and/or capital improvements,
21 rehabilitation, energy conservation measures improvements, or renewable energy
22 improvements certified pursuant to Section 37.7. Any rent increase certified due to increases
23 in operating and maintenance costs shall not exceed seven percent;

24 (3) Which portion of the rent increase reflects the passthrough of charges for: gas and
25 electricity; or the passthrough of increased water bill charges attributable to water rate

1 increases resulting from issuance of water revenue bonds authorized at the November 2002
2 election as provided by Section 37.3(a)(5)(B), which charges and calculations of charges shall
3 be explained in writing on a form provided by the Board; or the passthrough of general
4 obligation bond measure costs as provided by Section 37.3(a)(6), which charges shall be
5 explained in writing on a form provided by the Board as described in Section 37.3(a)(6)(E);

6 (4) Which portion of the rent increase reflects the amortization of the RAP loan, as
7 described in Section 37.3(a)(7) above.

8 (5) Nonconforming Rent Increases. Any rent increase which does not conform with
9 the provisions of this Section shall be null and void.

10 (6) With respect to rental units occupied by recipients of tenant-based rental
11 assistance, the notice requirements of this Subsection (b) shall be required in addition to any
12 notice required as part of the tenant-based rental assistance program.

13 (c) Initial Rent Limitation for Subtenants. A tenant who subleases his or her rental unit
14 may charge no more rent upon initial occupancy of the subtenant or subtenants than that rent
15 which the tenant is currently paying to the landlord.

16 (d) Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.)
17 Consistent with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.)
18 and regardless of whether otherwise provided under Chapter 37:

19 (1) Property Owner Rights to Establish Initial and All Subsequent Rental Rates for
20 Separately Alienable Parcels.

21 (A) An owner or residential real property may establish the initial and all subsequent
22 rental rates for a dwelling or a unit which is alienable separate from the title to any other
23 dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b), (d), or
24 (f) of Section 11004.5 of the California Business and Professions Code. The owner's right to
25 establish subsequent rental rates under this paragraph shall not apply to a dwelling or unit

1 where the preceding tenancy has been terminated by the owner by notice pursuant to
2 California Civil Code Section 1946 or has been terminated upon a change in the terms of the
3 tenancy noticed pursuant to California Civil Code Section 827; in such instances, the rent
4 increase limitation provisions of Chapter 37 shall continue to apply for the duration of the new
5 tenancy in that dwelling or unit.

6 (B) Where the initial or subsequent rental rates of a Subsection 37.3(d)(1)(A) dwelling
7 or unit were controlled by the provisions of Chapter 37 on January 1, 1995, the following shall
8 apply:

9 (i) A tenancy that was in effect on December 31, 1995, remains subject to the rent
10 control provisions of this Chapter 37, and the owner may not otherwise establish the
11 subsequent rental rates for that tenancy.

12 (ii) On or after January 1, 1999, an owner may establish the initial and all subsequent
13 rental rates for any tenancy created on or after January 1, 1996.

14 (C) An owner's right to establish subsequent rental rates under Subsection 37.3(d)(1)
15 shall not apply to a dwelling or unit which contains serious health, safety, fire or building code
16 violations, excluding those caused by disasters, for which a citation has been issued by the
17 appropriate governmental agency and which has remained unabated for six months or longer
18 preceding the vacancy.

19 (2) Conditions for Establishing the Initial Rental Rate Upon Sublet or Assignment.
20 Except as identified in this Subsection 37.3(d)(2), nothing in this Subsection or any other
21 provision of law of the City and County of San Francisco shall be construed to preclude
22 express establishment in a lease or rental agreement of the rental rates to be applicable in the
23 event the rental unit subject thereto is sublet, and nothing in this Subsection shall be
24 construed to impair the obligations of contracts entered into prior to January 1, 1996, subject
25 to the following:

1 (A) Where the original occupant or occupants who took possession of the dwelling or
2 unit pursuant to the rental agreement with the owner no longer permanently reside there, an
3 owner may increase the rent by any amount allowed by this Subsection to a lawful sublessee
4 or assignee who did not reside at the dwelling or unit prior to January 1, 1996. However, such
5 a rent increase shall not be permitted while:

6 (i) The dwelling or unit has been cited in an inspection report by the appropriate
7 governmental agency as containing serious health, safety, fire, or building code violations, as
8 defined by Section 17920.3 of the California Health and Safety Code, excluding any violation
9 caused by a disaster; and,

10 (ii) The citation was issued at least 60 days prior to the date of the vacancy: and,

11 (iii) The cited violation had not been abated when the prior tenant vacated and had
12 remained unabated for 60 days or for a longer period of time. However, the 60-day time
13 period may be extended by the appropriate governmental agency that issued the citation.

14 (B) This Subsection 37.3(d)(2) shall not apply to partial changes in occupancy of a
15 dwelling or unit where one or more of the occupants of the premises, pursuant to the
16 agreement with the owner provided for above (37.3(d)(2)), remains an occupant in lawful
17 possession of the dwellings or unit, or where a lawful sublessee or assignee who resided at
18 the dwelling or unit prior to January 1, 1996, remains in possession of the dwelling or unit.
19 Nothing contained in this Subsection 37.3(d)(2) shall be construed to enlarge or diminish an
20 owner's right to withhold consent to a sublease or assignment.

21 (C) Acceptance of rent by the owner shall not operate as a waiver or otherwise
22 prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver of an
23 owner's rights to establish the initial rental rate unless the owner has received written notice
24 from the tenant that is party to the agreement and thereafter accepted rent.

1 (3) Termination or Nonrenewal of a Contract or Recorded Agreement with a
2 Government Agency Limiting Rent. An owner who terminates or fails to renew a contract or
3 recorded agreement with a governmental agency that provides for a rent limitation to a
4 qualified tenant, shall be subject to the following:

5 (A) The tenant(s) who were beneficiaries of the contract or recorded agreement shall
6 be given at least 90 days' written notice of the effective date of the termination and shall not
7 be obligated to pay more than the tenant's portion of the rent, as calculated under that
8 contract or recorded agreement, for 90 days following receipt of the notice of termination or
9 nonrenewal.

10 (B) The owner shall not be eligible to set an initial rent for three years following the
11 date of the termination or nonrenewal of the contract or agreement.

12 (C) The rental rate for any new tenancy established during the three-year period in
13 that vacated dwelling or unit shall be at the same rate as the rent under the terminated or
14 nonrenewed contract or recorded agreement, plus any increases authorized under this
15 Chapter 37 after the date of termination/non renewal.

16 (D) The provisions of Subsections 37.3(d)(3)(B) and (C) shall not apply to any new
17 tenancy of 12 months or more duration established after January 1, 2000, pursuant to the
18 owner's contract or recorded agreement with a governmental agency that provides for a rent
19 limitation to a qualified tenant unless the prior vacancy in that dwelling or unit was pursuant to
20 a nonrenewed or canceled contract or recorded agreement with a governmental agency that
21 provides for a rent limitation to a qualified tenant.

22 (4) Subsection 37.3(d) does not affect the authority of the City and County of San
23 Francisco to regulate or monitor the basis or grounds for eviction.

24 (5) This Subsection 37.3(d) is intended to be and shall be construed to be consistent
25 with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.).

1 (e) Effect of Deferred Maintenance on Passthroughs for Lead Remediation
2 Techniques.

3 (1) When lead hazards are remediated or abated pursuant to San Francisco Health
4 Code Articles 11 or 26, are violations of State or local housing health and safety laws, there
5 shall be a rebuttable presumption that the lead hazards are caused or created by deferred
6 maintenance as defined herein of the current or previous landlord. If the landlord fails to rebut
7 the presumption, the costs of such work shall not be passed through to tenants as either a
8 capital improvement or an operating and maintenance expense. If the landlord rebuts the
9 presumption, he or she shall be entitled to a rent increase if otherwise justified by the
10 standards set forth in this Chapter.

11 (2) For purposes of the evaluation of petitions for rent increases for lead remediation
12 work, maintenance is deferred if a reasonable landlord under the circumstances would have
13 performed, on a regular basis, the maintenance work required to keep the premises from
14 being in violation of housing safety and habitability standards set forth in California Civil Code
15 Section 1941 and the San Francisco Municipal Code. In order to prevail on a deferred
16 maintenance defense, a tenant must show that the level of repair or remediation currently
17 required would have been lessened had maintenance been performed in a more timely
18 manner.

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1 Section 2. The San Francisco Administrative Code is hereby amended by amending
2 Section 37.9, to read as follows:

3 SEC. 37.9. EVICTIONS.

4 Notwithstanding Section 37.3, this Section shall apply as of August 24, 1980, to all
5 landlords and tenants of rental units as defined in Section 37.2(r).

6 (a) A landlord shall not endeavor to recover possession of a rental unit unless:

7 (1) The tenant:

8 (A) Has failed to pay the rent to which the landlord is lawfully entitled under the oral or
9 written agreement between the tenant and landlord:

10 (i) Except that a tenant's nonpayment of a charge prohibited by Section 919.1 of the
11 Police Code shall not constitute a failure to pay rent; and

12 (ii) Except that, commencing August 10, 2001, to and including February 10, 2003, a
13 landlord shall not endeavor to recover or recover possession of a rental unit for failure of a
14 tenant to pay that portion of rent attributable to a capital improvement passthrough certified
15 pursuant to a decision issued after April 10, 2000, where the capital improvement passthrough
16 petition was filed prior to August 10, 2001, and a landlord shall not impose any late fee(s)
17 upon the tenant for such non-payment of capital improvements costs; or

18 (B) Habitually pays the rent late; or

19 (C) Gives checks which are frequently returned because there are insufficient funds in
20 the checking account; or

21 (2) The tenant has violated a lawful obligation or covenant of tenancy other than the
22 obligation to surrender possession upon proper notice or other than an obligation to pay a
23 charge prohibited by Police Code Section 919.1, and failure to cure such violation after having
24 received written notice thereof from the landlord. In addition, a landlord shall not endeavor to
25 recover possession of a rental unit as a result of the addition by the tenant of additional occupants to

1 the rental unit, if the total number of occupants occupying a room for sleeping purposes does not
2 violate the superficial floor area standards prescribed in Subsection (b) of Housing Code Section 503;

3 (A) Provided that notwithstanding any lease provision to the contrary, a landlord shall
4 not endeavor to recover possession of a rental unit as a result of subletting of the rental unit
5 by the tenant if the landlord has unreasonably withheld the right to sublet following a written
6 request by the tenant, so long as the tenant continues to reside in the rental unit and the
7 sublet constitutes a one-for-one replacement of the departing tenant(s). If the landlord fails to
8 respond to the tenant in writing within fourteen (14) days of receipt of the tenant's written
9 request, the tenant's request shall be deemed approved by the landlord.

10 (B) Provided further that where a rental agreement or lease provision limits the
11 number of occupants or limits or prohibits subletting or assignment, a landlord shall not
12 endeavor to recover possession of a rental unit as a result of the addition to the unit of a
13 tenant's child, parent, grandchild, grandparent, brother or sister, or the spouse or domestic
14 partner (as defined in Administrative Code Sections 62.1 through 62.8) of such relatives, or as
15 a result of the addition of the spouse or domestic partner of a tenant, so long as the maximum
16 number of occupants stated in Section 37.9(a)(2)(B)(i) and (ii) is not exceeded, if the landlord
17 has unreasonably refused a written request by the tenant to add such occupant(s) to the unit.
18 If the landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the
19 tenant's written request, the tenant's request shall be deemed approved by the landlord. A
20 landlord's reasonable refusal of the tenant's written request may not be based on the
21 proposed additional occupant's lack of creditworthiness, if that person will not be legally
22 obligated to pay some or all of the rent to the landlord. A landlord's reasonable refusal of the
23 tenant's written request may be based on, but is not limited to, the ground that the total
24 number of occupants in a unit exceeds (or with the proposed additional occupant(s) would
25 exceed) the lesser of (i) or (ii):

1 (i) Two persons in a studio unit, three persons in a one-bedroom unit, four persons in
2 a two-bedroom unit, six persons in a three-bedroom unit, or eight persons in a four-bedroom
3 unit; or

4 (ii) The maximum number permitted in the unit under state law and/or other local
5 codes such as the Building, Fire, Housing and Planning Codes; or

6 (3) The tenant is committing or permitting to exist a nuisance in, or is causing
7 substantial damage to, the rental unit, or is creating a substantial interference with the
8 comfort, safety or enjoyment of the landlord or tenants in the building, and the nature of such
9 nuisance, damage or interference is specifically stated by the landlord in writing as required
10 by Section 37.9(c).

11 (3.1) Eviction Protection for Victims of Domestic Violence or Sexual Assault or
12 Stalking:

13 (A) It shall be a defense to an action for possession of a unit under Subsection
14 37.9(a)(3) if the court determines that:

15 (i) The tenant or the tenant's household member is a victim of an act or acts that
16 constitute domestic violence or sexual assault or stalking; and

17 (ii) The notice to vacate is substantially based upon the act or acts constituting
18 domestic violence or sexual assault or stalking against the tenant or a tenant's household
19 member, including but not limited to an action for possession based on complaints of noise,
20 disturbances, or repeated presence of police.

21 (B) Evidence Required. In making the determination under Section 37.9(a)(3.1)(A)
22 the court shall consider evidence, which may include but is not limited to:

23 (i) A copy of a temporary restraining order or emergency protective order issued
24 pursuant to Part 3 (commencing with Section 6240) or Part 4 (commencing with Section 6300)
25 or Part 5 (commencing with Section 6400) of the Family Code, Section 136.2 of the Penal

1 Code, Section 527.6 of the Code of Civil Procedure, or Section 213.5 of the Welfare and
2 Institutions Code, that protects the tenant or tenant's household member from further
3 domestic violence, sexual assault, or stalking. And/or,

4 (ii) A copy of a written report by a peace officer employed by a state or local law
5 enforcement agency acting in his or her official capacity, stating that the tenant or tenant's
6 household member has filed a report alleging that he or she is a victim of domestic violence,
7 sexual assault, or stalking. And/or,

8 (iii) Other written documentation from a qualified third party of the acts constituting
9 domestic violence or sexual assault or stalking.

10 (C) Mutual Allegations of Abuse Between Parties. If two or more co-tenants are
11 parties seeking relief under Subsection 37.9(a)(3.1)(A), and each alleges that he or she was a
12 victim of domestic violence or sexual assault or stalking perpetrated by another co-tenant who
13 is also a party, the court may determine whether a tenant acted as the dominant aggressor in
14 the acts constituting a domestic violence or sexual assault or stalking offense. In making the
15 determination, the court shall consider the factors listed in Section 13701(b)(1) of the Penal
16 Code. A tenant who the court determines was the dominant aggressor in the acts constituting
17 a domestic violence or sexual assault or stalking offense is not entitled to relief under
18 Subsection 37.9(a)(3.1)(A).

19 (D) Limitations on Relief. Unless the tenant or the tenant's household member has
20 obtained a protective order against the alleged abuser to vacate or stay from the unit as a
21 result of acts constituting domestic violence or sexual assault or stalking against the tenant or
22 tenant's household member, the tenant may not obtain relief under Subsection 37.9(a)(3.1) if:

23 (i) The tenant was granted relief under Subsection 37.9(a)(3.1) in an action for
24 possession of the unit within the previous five years; and

25 (ii) A subsequent action for possession of the unit has now been filed; and

1 (iii) The notice to vacate in this subsequent action for possession is substantially
2 based upon continuing acts constituting domestic violence or sexual assault or stalking by the
3 same person alleged to be the abuser in the previous action for possession.

4 (E) Nothing in this Subsection 37.9(a)(3.1) shall be construed to affect the tenant's
5 liability for delinquent rent or other sums owed to the landlord, or the landlord's remedies in
6 recovering against the tenant for such sums.

7 (F) The provisions of Subsection 37.9(a)(3.1) are intended for use consistent with
8 Civil Code Section 1946.7.

9 (3.2) Confidentiality of Information Received from Victims of Domestic Violence or
10 Sexual Assault or Stalking. A landlord shall retain in strictest confidence all information that is
11 received in confidence from a tenant or a tenant's household member who is a victim of
12 domestic violence or sexual assault or stalking, regarding that domestic violence or sexual
13 assault or stalking, except to the extent that such disclosure (A) is necessary to provide for a
14 reasonable accommodation for the victim, or (B) is otherwise required pursuant to applicable
15 federal, state or local law. The victim may authorize limited or general release of any
16 information otherwise deemed confidential under this Subsection 37.9(a)(3.2).

17 Or,

18 (4) The tenant is using or permitting a rental unit to be used for any illegal purpose; or

19 (5) The tenant, who had an oral or written agreement with the landlord which has
20 terminated, has refused after written request or demand by the landlord to execute a written
21 extension or renewal thereof for a further term of like duration and under such terms which are
22 materially the same as in the previous agreement; provided, that such terms do not conflict
23 with any of the provisions of this Chapter; or

24 (6) The tenant has, after written notice to cease, refused the landlord access to the
25 rental unit as required by State or local law; or

1 (7) The tenant holding at the end of the term of the oral or written agreement is a
2 subtenant not approved by the landlord; or

3 (8) The landlord seeks to recover possession in good faith, without ulterior reasons
4 and with honest intent:

5 (i) For the landlord's use or occupancy as his or her principal residence for a period of
6 at least 36 continuous months;

7 (ii) For the use or occupancy of the landlord's grandparents, grandchildren, parents,
8 children, brother or sister, or the landlord's spouse, or the spouses of such relations, as their
9 principal place of residency for a period of at least 36 months, in the same building in which
10 the landlord resides as his or her principal place of residency, or in a building in which the
11 landlord is simultaneously seeking possession of a rental unit under Section 37.9(a)(8)(i). For
12 purposes of this Section 37.9(a)(8)(ii), the term spouse shall include domestic partners as
13 defined in San Francisco Administrative Code Sections 62.1 through 62.8.

14 (iii) For purposes of this Section 37.9(a)(8) only, as to landlords who become owners
15 of record of the rental unit on or before February 21, 1991, the term "landlord" shall be defined
16 as an owner of record of at least 10 percent interest in the property or, for Section 37.9(a)(8)(i)
17 only, two individuals registered as domestic partners as defined in San Francisco
18 Administrative Code Sections 62.1 through 62.8 whose combined ownership of record is at
19 least 10 percent. For purposes of this Section 37.9(a)(8) only, as to landlords who become
20 owners of record of the rental unit after February 21, 1991, the term "landlord" shall be
21 defined as an owner of record of at least 25 percent interest in the property or, for Section
22 37.9(a)(8)(i) only, two individuals registered as domestic partners as defined in San Francisco
23 Administrative Code Sections 62.1 through 62.8 whose combined ownership of record is at
24 least 25 percent.

1 (iv) A landlord may not recover possession under this Section 37.9(a)(8) if a
2 comparable unit owned by the landlord is already vacant and is available, or if such a unit
3 becomes vacant and available before the recovery of possession of the unit. If a comparable
4 unit does become vacant and available before the recovery of possession, the landlord shall
5 rescind the notice to vacate and dismiss any action filed to recover possession of the
6 premises. Provided further, if a noncomparable unit becomes available before the recovery of
7 possession, the landlord shall offer that unit to the tenant at a rent based on the rent that the
8 tenant is paying, with upward or downward adjustments allowed based upon the condition,
9 size, and other amenities of the replacement unit. Disputes concerning the initial rent for the
10 replacement unit shall be determined by the Rent Board. It shall be evidence of a lack of good
11 faith if a landlord times the service of the notice, or the filing of an action to recover
12 possession, so as to avoid moving into a comparable unit, or to avoid offering a tenant a
13 replacement unit.

14 (v) It shall be rebuttably presumed that the landlord has not acted in good faith if the
15 landlord or relative for whom the tenant was evicted does not move into the rental unit within
16 three months and occupy said unit as that person's principal residence for a minimum of 36
17 continuous months.

18 (vi) Once a landlord has successfully recovered possession of a rental unit pursuant
19 to Section 37.9(a)(8)(i), then no other current or future landlords may recover possession of
20 any other rental unit in the building under Section 37.9(a)(8)(i). It is the intention of this
21 Section that only one specific unit per building may be used for such occupancy under Section
22 37.9(a)(8)(i) and that once a unit is used for such occupancy, all future occupancies under
23 Section 37.9(a)(8)(i) must be of that same unit, provided that a landlord may file a petition with
24 the Rent Board, or at the landlord's option, commence eviction proceedings, claiming that
25

1 disability or other similar hardship prevents him or her from occupying a unit which was
2 previously occupied by the landlord.

3 (vii) If any provision or clause of this amendment to Section 37.9(a)(8) or the
4 application thereof to any person or circumstance is held to be unconstitutional or to be
5 otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other
6 chapter provisions, and clauses of this Chapter are held to be severable; or

7 (9) The landlord seeks to recover possession in good faith in order to sell the unit in
8 accordance with a condominium conversion approved under the San Francisco subdivision
9 ordinance and does so without ulterior reasons and with honest intent; or

10 (10) The landlord seeks to recover possession in good faith in order to demolish or to
11 otherwise permanently remove the rental unit from housing use and has obtained all the
12 necessary permits on or before the date upon which notice to vacate is given, and does so
13 without ulterior reasons and with honest intent; provided that a landlord who seeks to recover
14 possession under this Section 37.9(a)(10) shall pay relocation expenses as provided in
15 Section 37.9C except that a landlord who seeks to demolish an unreinforced masonry building
16 pursuant to Building Code Chapters 16B and 16C must provide the tenant with the relocation
17 assistance specified in Section 37.9A(f) below prior to the tenant's vacating the premises; or

18 (11) The landlord seeks in good faith to remove temporarily the unit from housing use
19 in order to be able to carry out capital improvements or rehabilitation work and has obtained
20 all the necessary permits on or before the date upon which notice to vacate is given, and does
21 so without ulterior reasons and with honest intent. Any tenant who vacates the unit under such
22 circumstances shall have the right to reoccupy the unit at the prior rent adjusted in
23 accordance with the provisions of this Chapter. The tenant will vacate the unit only for the
24 minimum time required to do the work. On or before the date upon which notice to vacate is
25 given, the landlord shall advise the tenant in writing that the rehabilitation or capital

1 improvement plans are on file with the Central Permit Bureau of the Department of Building
2 Inspection and that arrangements for reviewing such plans can be made with the Central
3 Permit Bureau. In addition to the above, no landlord shall endeavor to recover possession of
4 any unit subject to a RAP loan as set forth in Section 37.2(m) of this Chapter except as
5 provided in Section 32.69 of the San Francisco Administrative Code. The tenant shall not be
6 required to vacate pursuant to this Section 37.9(a)(11), for a period in excess of three months;
7 provided, however, that such time period may be extended by the Board or its Administrative
8 Law Judges upon application by the landlord. The Board shall adopt rules and regulations to
9 implement the application procedure. Any landlord who seeks to recover possession under
10 this Section 37.9(a)(11) shall pay relocation expenses as provided in Section 37.9C or

11 (12) The landlord seeks to recover possession in good faith in order to carry out
12 substantial rehabilitation, as defined in Section 37.2(s), and has obtained all the necessary
13 permits on or before the date upon which notice to vacate is given, and does so without
14 ulterior reasons and with honest intent. Notwithstanding the above, no landlord shall endeavor
15 to recover possession of any unit subject to a RAP loan as set forth in Section 37.2(m) of this
16 Chapter except as provided in Section 32.69 of the San Francisco Administrative Code; Any
17 landlord who seeks to recover possession under this Section 37.9(a)(12) shall pay relocation
18 expenses as provided in Section 37.9C; or

19 (13) The landlord wishes to withdraw from rent or lease all rental units within any
20 detached physical structure and, in addition, in the case of any detached physical structure
21 containing three or fewer rental units, any other rental units on the same lot, and complies in
22 full with Section 37.9A with respect to each such unit; provided, however, that guestrooms or
23 efficiency units within a residential hotel, as defined in Section 50519 of the Health and Safety
24 Code, may not be withdrawn from rent or lease if the residential hotel has a permit of
25 occupancy issued prior to January 1, 1990, and if the residential hotel did not send a notice of

1 intent to withdraw the units from rent or lease (Administrative Code Section 37.9A(f),
2 Government Code Section 7060.4(a)) that was delivered to the Rent Board prior to January 1,
3 2004; or

4 (14) The landlord seeks in good faith to temporarily recover possession of the unit
5 solely for the purpose of effecting lead remediation or abatement work, as required by San
6 Francisco Health Code Articles 11 or 26. The tenant will vacate the unit only for the minimum
7 time required to do the work. The relocation rights and remedies, established by San
8 Francisco Administrative Code Chapter 72, including but not limited to, the payment of
9 financial relocation assistance, shall apply to evictions under this Section 37.9(a)(14).

10 (15) The landlord seeks to recover possession in good faith in order to demolish or to
11 otherwise permanently remove the rental unit from housing use in accordance with the terms
12 of a development agreement entered into by the City under Chapter 56 of the San Francisco
13 Administrative Code.

14 (b) A landlord who resides in the same rental unit with his or her tenant may evict said
15 tenant without just cause as required under Section 37.9(a) above.

16 (c) A landlord shall not endeavor to recover possession of a rental unit unless at least
17 one of the grounds enumerated in Section 37.9(a) or (b) above is the landlord's dominant
18 motive for recovering possession and unless the landlord informs the tenant in writing on or
19 before the date upon which notice to vacate is given of the grounds under which possession is
20 sought and that advice regarding the notice to vacate is available from the Residential Rent
21 Stabilization and Arbitration Board, before endeavoring to recover possession. A copy of all
22 notices to vacate except three-day notices to vacate or pay rent and a copy of any additional
23 written documents informing the tenant of the grounds under which possession is sought shall
24 be filed with the Board within 10 days following service of the notice to vacate. The District
25 Attorney shall determine whether the units set forth on the list compiled in accordance with

1 Section 37.6(k) are still being occupied by the tenant who succeeded the tenant upon whom
2 the notice was served. In cases where the District Attorney determines that Section 37.9(a)(8)
3 has been violated, the District Attorney shall take whatever action he deems appropriate
4 under this Chapter or under State law.

5 (d) No landlord may cause a tenant to quit involuntarily or threaten to bring any action
6 to recover possession, or decrease any services, or increase the rent, or take any other action
7 where the landlord's dominant motive is retaliation for the tenant's exercise of any rights under
8 the law. Such retaliation shall be a defense to any action to recover possession. In an action
9 to recover possession of a rental unit, proof of the exercise by the tenant of rights under the
10 law within six months prior to the alleged act of retaliation shall create a rebuttable
11 presumption that the landlord's act was retaliatory.

12 (e) It shall be unlawful for a landlord or any other person who wilfully assists the
13 landlord to endeavor to recover possession or to evict a tenant except as provided in Section
14 37.9(a) and (b). Any person endeavoring to recover possession of a rental unit from a tenant
15 or evicting a tenant in a manner not provided for in Section 37.9(a) or (b) without having a
16 substantial basis in fact for the eviction as provided for in Section 37.9(a) shall be guilty of a
17 misdemeanor and shall be subject, upon conviction, to the fines and penalties set forth in
18 Section 37.10A. Any waiver by a tenant of rights under this Chapter except as provided in
19 Section 37.10A(g), shall be void as contrary to public policy.

20 (f) Whenever a landlord wrongfully endeavors to recover possession or recovers
21 possession of a rental unit in violation of Sections 37.9 and/or 37.10 as enacted herein, the
22 tenant or Board may institute a civil proceeding for injunctive relief, money damages of not
23 less than three times actual damages, (including damages for mental or emotional distress),
24 and whatever other relief the court deems appropriate. In the case of an award of damages
25 for mental or emotional distress, said award shall only be trebled if the trier of fact finds that

1 the landlord acted in knowing violation of or in reckless disregard of Section 37.9 or 37.10A
2 herein. The prevailing party shall be entitled to reasonable attorney's fees and costs pursuant
3 to order of the court. The remedy available under this Section 37.9(f) shall be in addition to
4 any other existing remedies which may be available to the tenant or the Board.

5 (g) The provisions of this Section 37.9 shall apply to any rental unit as defined in
6 Sections 37.2(r)(4)(A) and 37.2(r)(4)(B), including where a notice to vacate/quit any such
7 rental unit has been served as of the effective date of this Ordinance No. 250-98 but where
8 any such rental unit has not yet been vacated or an unlawful detainer judgment has not been
9 issued as of the effective date of this Ordinance No. 250-98.

10 (h) With respect to rental units occupied by recipients of tenant-based rental
11 assistance, the notice requirements of this Section 37.9 shall be required in addition to any
12 notice required as part of the tenant-based rental assistance program, including but not limited
13 to the notice required under 24 CFR Section 982.310(e)(2)(ii).

14 (i) The following additional provisions shall apply to a landlord who seeks to recover a
15 rental unit by utilizing the grounds enumerated in Section 37.9(a)(8):

16 (1) A landlord may not recover possession of a unit from a tenant under Section
17 37.9(a)(8) if the landlord has or receives notice, any time before recovery of possession, that
18 any tenant in the rental unit:

19 (A) Is 60 years of age or older and has been residing in the unit for 10 years or more;
20 or

21 (B) Is disabled within the meaning of Section 37.9(i)(1)(B)(i) and has been residing in
22 the unit for 10 years or more, or is catastrophically ill within the meaning of Section
23 37.9(i)(1)(B)(ii) and has been residing in the unit for five years or more:

24 (i) A "disabled" tenant is defined for purposes of this Section 37.9(i)(1)(B) as a person
25 who is disabled or blind within the meaning of the federal Supplemental Security

1 Income/California State Supplemental Program (SSI/SSP), and who is determined by
2 SSI/SSP to qualify for that program or who satisfies such requirements through any other
3 method of determination as approved by the Rent Board;

4 (ii) A "catastrophically ill" tenant is defined for purposes of this Section 37.9(i)(1)(B) as
5 a person who is disabled as defined by Section 37.9(i)(1)(B)(i), and who is suffering from a life
6 threatening illness as certified by his or her primary care physician.

7 (2) The foregoing provisions of Sections 37.9(i)(1)(A) and (B) shall not apply where
8 there is only one rental unit owned by the landlord in the building, or where each of the rental
9 units owned by the landlord in the same building where the landlord resides (except the unit
10 actually occupied by the landlord) is occupied by a tenant otherwise protected from eviction by
11 Sections 37.9(i)(1)(A) or (B) and where the landlord's qualified relative who will move into the
12 unit pursuant to Section 37.9(a)(8) is 60 years of age or older.

13 (3) The provisions established by this Section 37.9(i) include, but are not limited to,
14 any rental unit where a notice to vacate/quit has been served as of the date this amendment
15 takes effect but where the rental unit has not yet been vacated or an unlawful detainer
16 judgment has not been issued.

17 (4) Within 30 days of personal service by the landlord of a written request, or, at the
18 landlord's option, a notice of termination of tenancy under Section 37.9(a)(8), the tenant must
19 submit a statement, with supporting evidence, to the landlord if the tenant claims to be a
20 member of one of the classes protected by Section 37.9(i). The written request or notice shall
21 contain a warning that a tenant's failure to submit a statement within the 30 day period shall
22 be deemed an admission that the tenant is not protected by Section 37.9(i). The landlord shall
23 file a copy of the request or notice with the Rent Board within 10 days of service on the tenant.
24 A tenant's failure to submit a statement within the 30 day period shall be deemed an
25 admission that the tenant is not protected by Section 37.9(i). A landlord may challenge a

1 tenant's claim of protected status either by requesting a hearing with the Rent Board or, at the
2 landlord's option, through commencement of eviction proceedings, including service of a
3 notice of termination of tenancy. In the Rent Board hearing or the eviction action, the tenant
4 shall have the burden of proof to show protected status. No civil or criminal liability under
5 Section 37.9(e) or (f) shall be imposed upon a landlord for either requesting or challenging a
6 tenant's claim of protected status.

7 (5) This Section 37.9(i) is severable from all other sections and shall be of no force or
8 effect if any temporary moratorium on owner/relative evictions adopted by the Board of
9 Supervisors after June 1, 1998 and before October 31, 1998 has been invalidated by the
10 courts in a final decision.

11 (j) Disclosure of Rights to Tenants Before and After Sale of Rental Units Subject to
12 Section 37.9.

13 (1) Disclosure to Tenants By Seller of the Property. Before property containing rental
14 units subject to Section 37.9 may be sold, the owner/seller shall disclose to tenants of the
15 property the rights of tenants during and after the sale of the property. This disclosure shall be
16 in writing and shall include:

17 (A) A statement in bold type of at least 12 points that tenants can not be evicted or
18 asked to move solely because a property is being sold or solely because a new owner has
19 purchased that property.

20 (B) A statement in bold type of at least 12 points that tenants cannot have their rent
21 increased above that permitted by Chapter 37 solely because a property is being sold or
22 solely because a new owner has purchased that property.

23 (C) A statement in bold type of at least 12 points that the rental agreements of tenants
24 cannot be materially changed solely because a property is being sold or solely because a new
25 owner has purchased that property.

1 (D) A statement that the owner's right to show units to prospective buyers is governed
2 by California Civil Code section 1954, including a statement that tenants must receive notice
3 as provided by Section 1954, and a statement that a showing must be conducted during
4 normal business hours unless the tenant consents to an entry at another time.

5 (E) A statement that tenants are not required to complete or sign any estoppel
6 certificates or estoppel agreements, except as required by law or by that tenant's rental
7 agreement. The statement shall further inform tenants that tenant rights may be affected by
8 an estoppel certificate or agreement and that the tenants should seek legal advice before
9 completing or signing an estoppel certificate or agreement.

10 (F) A statement that information on these and other tenant's rights are available at the
11 San Francisco Rent Board, 25 Van Ness Ave, San Francisco, California, and at the
12 counseling telephone number of the Rent Board and at its web site.

13 (2) Disclosure to Tenants by Purchaser of the Property. Within 30 days of acquiring
14 title to rental units subject to Section 37.9, the new purchaser/owner shall disclose to tenants
15 of the property the rights of tenants following this sale of the property. This disclosure shall be
16 in writing and shall include:

17 (A) A statement in bold type of at least 12 points that tenants cannot be evicted or
18 asked to move solely because a new owner has purchased that property.

19 (B) A statement in bold type of at least 12 points that tenants cannot have their rent
20 increased above that permitted by Chapter 37 solely because a new owner has purchased
21 that property.

22 (C) A statement in bold type of at least 12 points that the rental agreements of tenants
23 cannot be materially changed solely because a new owner has purchased that property.

24 (D) A statement in bold type of at least 12 points that any tenants, sub-tenants or
25 roommates who were lawful occupants at the time of the sale remain lawful occupants.

1 (E) A statement in bold type of at least 12 points: that tenants' housing services as
2 defined in Section 37.2(r) first paragraph cannot be changed or severed from the tenancy
3 solely because a new owner has purchased that property; and that tenants' housing services
4 as defined in Section 37.2(r) second paragraph that were supplied in connection with the use
5 or occupancy of a unit at the time of sale (such as laundry rooms, decks, or storage space)
6 cannot be severed from the tenancy by the new purchaser/owner without just cause as
7 required by Section 37.9(a).

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10
11 APPROVED AS TO FORM:
12 DENNIS J. HERRERA, City Attorney

13 By: _____
14 MARIE C. BLITS
15 Deputy City Attorney
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