

File No. 170420 Committee Item No. 1
 Board Item No. 6

COMMITTEE/BOARD OF SUPERVISORS
 AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date May 22, 2017

Board of Supervisors Meeting Date JUNE 13, 2017
 Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Response Youth 05/10/17</u> |
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Completed by: Erica Major Date May 19, 2017
 Completed by: John Carroll Date May 25, 2017

1 [Administrative Code - Relocation Assistance for Lawful Occupants Regardless of Age]

2
3 **Ordinance amending the Administrative Code to include all persons regardless of age**
4 **who have been lawfully occupying a rental unit as eligible tenants for purpose of**
5 **calculating Ellis Act relocation payments.**

6 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.
7 **Additions to Codes** are in *single-underline, italics Times New Roman font*.
8 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.
9 **Board amendment additions** are in double-underlined Arial font.
10 **Board amendment deletions** are in ~~Arial font~~.
11 **Asterisks (* * * *)** indicate the omission of unchanged Code
12 subsections or parts of tables.

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

14 Section 1. Purpose and Findings.

15 San Francisco's housing has become increasingly unaffordable for low-income,
16 working, and middle-income families. At the same time, the City has experienced a high rate
17 of evictions, particularly under the Ellis Act. The City's Residential Rent Stabilization and
18 Arbitration Ordinance ("Rent Ordinance") allows landlords to perform Ellis Act evictions (see
19 Administrative Code Section 37.9(a)(13)), and requires landlords to provide a relocation
20 benefit of \$4,500 per tenant, up to \$13,500, to mitigate the adverse impacts of those evictions.
21 However, a court has now held that children lawfully occupying a rental unit do not qualify
22 under the Rent Ordinance as "tenants" for this purpose and therefore are not entitled to any
23 relocation benefit under this provision. See *Danger Panda, LLC v. Nancy Ann Launiu*, 1st
24 Dist. Ct. App. Case No. A149062 (April 4, 2017). At the same time, the Court made clear that
25 it was interpreting the term "tenant" only under the existing text of the Rent Ordinance, and

1 was not addressing the City's power to amend the Rent Ordinance to include children for
2 relocation benefit purposes.

3 The Board of Supervisors finds that this relocation benefit should account for the
4 adverse impacts on children who are displaced and for the higher moving and relocation costs
5 that a tenant family with children will experience following an Ellis Act eviction. There is a
6 strong public interest in taking displaced children into account when calculating this relocation
7 benefit. This ordinance furthers the public interest by requiring the relocation benefit to be
8 calculated based on all lawful occupants in the unit regardless of age.

9
10 Section 2. The Administrative Code is hereby amended by revising Section 37.9A, to
11 read as follows:

12 **SEC. 37.9A. TENANT RIGHTS IN CERTAIN DISPLACEMENTS UNDER SECTION**
13 **37.9(a)(13).**

14 This Section 37.9A applies to certain tenant displacements under Section
15 37.9(a)(13), as specified.

16 * * * *

17 **(e) Relocation Payments to Tenants.**

18 * * * *

19 (3) On or After February 20, 2005. Where a landlord seeks eviction based upon
20 Section 37.9(a)(13), and the notice of intent to withdraw rental units is filed with the Board on
21 or after February 20, 2005, relocation payments shall be paid to the tenants as follows:

22 (A) Subject to Subsections 37.9A(e)(3)(B), (C), and (D) below, *each the*
23 *landlord shall be required to pay a relocation benefit on behalf of each authorized occupant of the*
24 *rental unit regardless of the occupant's age ("Eligible Tenant"). The amount of the relocation benefit*
25 *tenant shall be entitled to receive \$4,500 per Eligible Tenant, one-half of which shall be paid at*

1 the time of the service of the notice of termination of tenancy, and one-half of which shall be
2 paid when the Eligible Tenant ~~tenant~~ vacates the unit;

3 (B) In the event there are more than three Eligible Tenants ~~tenants~~ in a unit,
4 the total relocation payment shall be \$13,500.00, which shall be allocated proportionally among
5 the Eligible Tenants based on divided equally by the total number of Eligible Tenants ~~tenants~~ in the
6 unit; and

7 (C) Notwithstanding Subsections 37.9A(e)(3)(A) and (B), any Eligible Tenant
8 ~~tenant~~ who, at the time the notice of intent to withdraw rental units is filed with the Board, is 62
9 years of age or older, or who is disabled within the meaning of Section 12955.3 of the
10 California Government Code, shall be entitled to receive an additional payment of \$3,000.00,
11 \$1,500.00 of which shall be paid within ~~fifteen~~ (15) calendar days of the landlord's receipt of
12 written notice from the tenant of entitlement to the relocation payment, and \$1,500.00 of which
13 shall be paid when the Eligible Tenant ~~tenant~~ vacates the unit.

14 (D) Commencing March 1, 2005, the relocation payments specified in
15 Subsections 37.9A(e)(3)(A) and (B) and (C) shall increase annually at the rate of increase in
16 the "rent of primary residence" expenditure category of the Consumer Price Index (CPI) for All
17 Urban Consumers in the San Francisco-Oakland-San Jose Region for the preceding calendar
18 year, as that data is made available by the United States Department of Labor and published
19 by the Board.

20 * * * *

21
22 Section 3. Effective Date. This ordinance shall become effective 30 days after
23 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
24 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
25 of Supervisors overrides the Mayor's veto of the ordinance.

1
2 Section 4. Scope of Ordinance.

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

9
10 Section 5. Severability. If any section, subsection, sentence, clause, phrase, or word
11 of this ordinance, or any application thereof to any person or circumstance, is held to be
12 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
13 shall not affect the validity of the remaining portions or applications of the ordinance. The
14 Board of Supervisors hereby declares that it would have passed this ordinance and each and
15 every section, subsection, sentence, clause, phrase, and word not declared invalid or
16 unconstitutional without regard to whether any other portion of this ordinance or application
17 thereof would be subsequently declared invalid or unconstitutional.

18
19 Section 6. Pending Matters. The Residential Rent Stabilization and Arbitration
20 Ordinance, at Administrative Code Section 37.9A(e)(3)(E), describes an additional method of
21 calculating relocation benefits following an Ellis Act eviction. Under that method, landlords are
22 directed to calculate relocation benefits based on the difference between the tenant's existing
23 rent and the fair market rent for a comparable unit. The City has been enjoined from
24 enforcing Section 37.9A(e)(3)(E) and accordingly will continue to enforce the rest of Section
25

1 37.9A(e)(3) and any amendments thereto unless and until the injunctions precluding
2 enforcement of Section 37.9A(e)(3)(E) are lifted or dissolved.

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

By: 
Manu Pradhan
Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - Relocation Assistance for Lawful Occupants Regardless of Age]

Ordinance amending the Administrative Code to include all persons regardless of age who have been lawfully occupying a rental unit as eligible tenants for purpose of calculating Ellis Act relocation payments.

Existing Law

The City's Residential Rent Stabilization and Arbitration Ordinance allows landlords to perform Ellis Act evictions, provided that the landlord makes a relocation payment to each displaced "tenant" in order to mitigate the adverse impacts of the eviction. Admin. Code §§ 37.9(a)(13), 37.9A(e)(3)(A). When first enacted, the amount of this relocation payment was \$4,500 per tenant, up to a maximum of \$13,500 if there were more than three tenants in the unit. Due to required inflation adjustments, the current amount is \$6,286.03 per tenant, up to \$18,858.07 per unit. Additional payments may also be required if the eviction would displace tenants who are 62 years or older or who are disabled.

Amendments to Current Law

The legislation would amend Section 37.9A(e)(3)(A) to require landlords to pay relocation payments to all "Eligible Tenants," which would be defined to mean all persons regardless of age who have been lawfully occupying the rental unit. The existing amounts (\$6,286.03 per Eligible Tenant, up to a maximum \$18,858.07 per unit, plus possible additional payments due to age or disability) would not change.

Background Information

The amendment is intended to address the Court of Appeal's decision in *Danger Panda, LLC v. Nancy Ann Launiu*, 1st Dist. Ct. App. Case No. A149062 (April 4, 2017), which held that landlords are not required to pay relocation benefits on behalf of children occupying the unit because children do not qualify as "tenants."

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Youth Commission
City Hall ~ Room 345
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4532



(415) 554-6446
(415) 554-6140 FAX
www.sfgov.org/youth_commission

YOUTH COMMISSION
MEMORANDUM

TO: Alisa Somera, Clerk, Land Use & Transportation Committee
FROM: Youth Commission
DATE: Wednesday, May 10, 2017
RE: Referral response to BOS File No. 170420 [Administrative Code – Relocation Assistance for Lawful Occupants Regardless of Age]

At our **Monday, May 8, 2017 meeting**, the Youth Commission voted to unanimously support the following motion:

To support BOS File No. 170420 – Ordinance amending the Administrative Code to include all persons regardless of age who have been lawfully occupying a rental unit as eligible tenants for purpose of calculating Ellis Act relocation payments.

Youth Commissioners thank the Board of Supervisors for their attention to this issue. If you have any questions, please contact our office at (415) 554-6446, or your Youth Commissioner.

A handwritten signature in black ink, appearing to read "Madeleine Matz".

Chair, Madeleine Matz
Adopted on May 8, 2017
2016-2017 San Francisco Youth Commission

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Adele Carpenter, Director
Youth Commission

FROM: *ll* Angela Calvillo, Clerk of the Board
for

DATE: May 5, 2017

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS

The Board of Supervisors has received the following proposed legislation which is being referred to the Youth Commission as per Charter Section 4.124 for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 170420

Ordinance amending the Administrative Code to include all persons regardless of age who have been lawfully occupying a rental unit as eligible tenants for purpose of calculating Ellis Act relocation payments.

Please return this cover sheet with the Commission's response to Alisa Somera, Land Use and Transportation Committee.

RESPONSE FROM YOUTH COMMISSION Date: _____

No Comment
 Recommendation Attached

Chairperson, Youth Commission

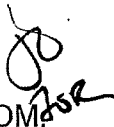
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Robert Collins, Executive Director, Rent Board
Olson Lee, Director, Mayor's Office of Housing and Community
Development
Nadia Sesay, Interim Executive Director, Office of Community Investment
and Infrastructure

FROM:  Alisa Somera, Legislative Deputy Director
Land Use and Transportation Committee

DATE: April 19, 2017

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Ronen on April 11, 2017:

File No. 170420

Ordinance amending the Administrative Code to include all persons regardless of age who have been lawfully occupying a rental unit as eligible tenants for purpose of calculating Ellis Act relocation payments.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: alisa.somera@sfgov.org.

c: Eugene Flannery, Mayor's Office of Housing and Community Development
Kate Hartley, Mayor's Office of Housing and Community Development
Amy Chan, Mayor's Office of Housing and Community Development

President, District 5
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-7630
Fax No. 554-7634
TDD/TTY No. 544-5227

BOS-11, COB
LU Clerk, BOS
Aides, Deputies, Clerks
Dep. City Atty, Lawyers
Office

London Breed

PRESIDENTIAL ACTION

Date: 5/01/2017

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,
Pursuant to Board Rules, I am hereby:

- Waiving 30-Day Rule (Board Rule No. 3.23)

File No. 170420 Ronen
(Primary Sponsor)

Title. Ordinance amending the Administrative Code to include all persons regardless of age who have been lawfully occupying a rental unit

- Transferring (Board Rule No 3.3)

File No. _____
(Primary Sponsor)

Title. _____

From: _____ Committee

To: _____ Committee

- Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor _____

Replacing Supervisor _____

For: _____ Meeting
(Date) (Committee)

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2017 MAY -2 PM 4:09
BY AK

London Breed
London Breed, President
Board of Supervisors

Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2017 APR 13
Time stamp
or meeting date: 04

BY: AK

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee.
An ordinance, resolution, motion, or charter amendment.
- 2. Request for next printed agenda without reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor inquires"
- 5. City Attorney request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No.
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative

Sponsor(s):

Ronen, Yee, Breed, Sheehy, Fewer, Peskin + Safai

Subject:

Ordinance amending the administrative code to include all persons regardless of age who have been lawfully occupying a rental unit as eligible tenants for purpose of calculating Ellis Act relocation payments.

The text is listed below or attached:

Please see attached ordinance.

I kindly request that this be sent to the Public Safety and Neighborhood Services Committee.

Signature of Sponsoring Supervisor: *J. Ronen*

For Clerk's Use Only: