

1 [Rent Ordinance multiple amendments, including prohibition against severance of parking or
2 other facilities without just cause or consent, extension of coverage to non-tourist tenancies in
3 residential hotels, limiting annual imposition of banked increases, requiring more specific
4 notice for certain rent increases, prohibiting rent increases or evictions based on additional
5 occupants within Housing Code occupancy limits, extending the statute of limitations for
overpayment refunds, increasing relocation payments annually per CPI, and providing that a
tenant may also pursue civil remedies for abridgement of certain rights against a landlord's
successor in interest; and Housing Code amendments to promote affordable housing.]

6 **Ordinance amending the Residential Rent Stabilization and Arbitration Ordinance**
7 **(Administrative Code Chapter 37), by amending Sections 37.2, 37.3, 37.8, 37.9, 37.9B,**
8 **and 37.11A, to: clarify the definition of rental units to include units regardless of zoning**
9 **or legal status; provide that parking or storage or similar facilities on the same lot may**
10 **not be severed by the landlord without just cause or tenant consent, except where**
11 **necessitated by serious landlord hardship or circumstances beyond the landlord's**
12 **control; extend coverage of the ordinance to non-tourist tenancies in residential hotels**
13 **by eliminating the 32-day residency requirement for those tenancies; limit imposition of**
14 **banked rent increases to 8% per year and require more specific notice; require more**
15 **specific notice for rent increases authorized under California Civil Code Sections**
16 **1954.50 et seq., and require a rent arbitration hearing for certain increases not**
17 **authorized by Civil Code Sections 1954.50 et seq.; prohibit rent increases or evictions**
18 **solely for additional occupants, where the total number of occupants is within Housing**
19 **Code occupancy limits; expand the statute of limitations from three years to five years**
20 **from discovery, for refunds of rent overpayments due to null and void rent increases;**
21 **clarify that all endeavors to recover possession for just cause under Section 37.9(a),**
22 **must be in good faith without ulterior motive and with honest intent; require relocation**
23 **expenses of \$2,000 for each authorized occupant (including any minor child) who has**
24 **lived in a unit for 12 months as of the time of vacation of the unit, where the unit is to**
25 **be demolished or otherwise permanently removed from housing use, or where the**

1 tenant must relocate due to capital improvements or substantial rehabilitation work or
2 an owner-move-in eviction, with one-half paid upon notice and one-half paid within 72
3 hours after vacation of the unit, and with these amounts to be increased annually
4 according to the rate of increase in the "Rent of Primary Residence" expenditure
5 category of the Consumer Price Index (CPI); provide that a tenant's civil action against
6 a landlord for abridgement of rights under this Chapter may also be brought against
7 the landlord's successor in interest; certain technical corrections to conform
8 numbering to prior Chapter 37 amendments; and, amending San Francisco Housing
9 Code Chapter 5, Section 503(b) to make a technical correction, and amending San
10 Francisco Housing Code Chapter 5, Section 503(d), to clarify that the protections of
11 that Section extend to all persons by deleting the references to "families," to clarify
12 that the Section promotes affordable housing, and to clarify that the Section protects
13 prospective and current tenants.

14 Note: Additions are *single-underline italics Times New Roman font*;
15 deletions are ~~*strikethrough italics Times New Roman font*~~.
16 Board amendment additions are double underlined Arial font;
17 Board amendment deletions are ~~strikethrough Arial font~~.

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

19 Section 1. The San Francisco Administrative Code is hereby amended by amending
20 Section 37.2, to read as follows:

21 SEC. 37.2. DEFINITIONS.

22 (a) Base Rent.

23 (1) That rent which is charged a tenant upon initial occupancy plus any rent
24 increase allowable and imposed under this Chapter; provided, however, that base rent shall
25 not include increases imposed pursuant to Section 37.7 below or utility passthroughs or

1 general obligation passthroughs pursuant to Section 37.2(q) below. Base rent for tenants of
2 RAP rental units in areas designated on or after July 1, 1977, shall be that rent which was
3 established pursuant to Section 32.73-1 of the San Francisco Administrative Code. Rent
4 increases attributable to the City Administrator's amortization of an RAP loan in an area
5 designated on or after July 1, 1977, shall not be included in the base rent.

6 (2) From and after the effective date of this ordinance, the base rent for tenants
7 occupying rental units which have received certain tenant-based or project-based rental
8 assistance shall be as follows:

9 (A) With respect to tenant-based rental assistance:

10 (i) For any tenant receiving tenant-based assistance as of the effective date of this
11 ordinance (except where the rent payable by the tenant is a fixed percentage of the tenant's
12 income, such as in the Section 8 certificate program and the rental subsidy program for the
13 HOPWA program), and continuing to receive tenant-based rental assistance following the
14 effective date of this ordinance, the base rent for each unit occupied by such tenant shall be
15 the rent payable for that unit under the Housing Assistance Payments contract, as amended,
16 between the San Francisco Housing Authority and the landlord (the "HAP contract") with
17 respect to that unit immediately prior to the effective date of this ordinance (the "HAP" contract
18 rent").

19 (ii) For any tenant receiving tenant-based rental assistance (except where the rent
20 payable by the tenant is a fixed percentage of the tenant's income, such as in the Section 8
21 certificate program and the rental subsidy program for the HOPWA program), and
22 commencing occupancy of a rental unit following the effective date of this ordinance, the base
23 rent for each unit occupied by such a tenant shall be the HAP contract rent in effect as of the
24 date the tenant commences occupancy of such unit.

25 (iii) For any tenant whose tenant-based rental assistance terminates or expires, for

1 whatever reason, following the effective date of this ordinance, the base rent for each such
2 unit following expiration or termination shall be the HAP contract rent in effect for that unit
3 immediately prior to the expiration or termination of the tenant-based rental assistance.

4 (B) For any tenant occupying a unit upon the expiration or termination, for whatever
5 reason, of a project-based HAP contract under Section 8 of the United States Housing Act of
6 1937 (42 USC Section 1437f, as amended), the base rent for each such unit following
7 expiration or termination shall be the “contract rent” in effect for that unit immediately prior to
8 the expiration or termination of the project-based HAP contract.

9 (C) For any tenant occupying a unit upon the prepayment or expiration of any
10 mortgage insured by the United States Department of Housing and Urban Development
11 (“HUD”), including but not limited to mortgages provided under Sections 221(d)(3), 221(d)(4)
12 and 236 of the National Housing Act (12 USC Section 1715z-1), the base rent for each such
13 unit shall be the “basic rental charge” (described in 12 USC 1715z-1(f), or successor
14 legislation) in effect for that unit immediately prior to the prepayment of the mortgage, which
15 charge excludes the “interest reduction payment” attributable to that unit prior to the mortgage
16 prepayment or expiration.

17 (b) Board. The Residential Rent Stabilization and Arbitration Board.

18 (c) Capital Improvements. Those improvements which materially add to the value of
19 the property, appreciably prolong its useful life, or adapt it to new uses, and which may be
20 amortized over the useful life of the improvement of the building.

21 (d) CPI. Consumer Price Index for all Urban Consumers for the San Francisco-
22 Oakland Metropolitan Area, U.S. Department of Labor.

23 (e) Energy Conservation Measures. Work performed pursuant to the requirements
24 of ~~Article~~ Chapter 12 of the San Francisco Housing Code.

25 (f) Administrative Law Judge. A person, designated by the Board, who arbitrates

1 and mediates rental increase disputes, and performs other duties as required pursuant to this
2 Chapter 37.

3 (g) Housing Services. Services provided by the landlord connected with the use or
4 occupancy of a rental unit including, but not limited to: repairs; replacement; maintenance;
5 painting; light; heat; water; elevator service; laundry facilities and privileges; janitor service;
6 refuse removal; furnishings; telephone; parking; rights permitted the tenant by agreement,
7 including the right to have a specific number of occupants, whether express or implied, and
8 whether or not the agreement prohibits subletting and/or assignment; and any other benefits,
9 privileges or facilities.

10 (h) Landlord. An owner, lessor, sublessor, who receives or is entitled to receive rent
11 for the use and occupancy of any residential rental unit or portion thereof in the City and
12 County of San Francisco, and the agent, representative or successor of any of the foregoing.

13 (i) Member. A member of the Residential Rent Stabilization and Arbitration Board.

14 (j) Over FMR Tenancy Program. A regular certificate tenancy program whereby the
15 base rent, together with a utility allowance in an amount determined by HUD, exceeds the fair
16 market rent limitation for a particular unit size as determined by HUD.

17 (k) Payment Standard. An amount determined by the San Francisco Housing
18 Authority that is used to determine the amount of assistance paid by the San Francisco
19 Housing Authority on behalf of a tenant under the Section 8 Voucher Program (24 CFR Part
20 887).

21 (l) RAP. Residential Rehabilitation Loan Program (Chapter 32, San Francisco
22 Administrative Code).

23 (m) RAP Rental Units. Residential dwelling units subject to RAP loans pursuant to
24 Chapter 32, San Francisco Administrative Code.

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1 (n) Real Estate Department. A city department in the City and County of San
2 Francisco.

3 (o) Rehabilitation Work. Any rehabilitation or repair work done by the landlord with
4 regard to a rental unit, or to the common areas of the structure containing the rental unit,
5 which work was done in order to be in compliance with State or local law, or was done to
6 repair damage resulting from fire, earthquake or other casualty or natural disaster.

7 (p) Rent. The consideration, including any bonus, benefits or gratuity, demanded or
8 received by a landlord for or in connection with the use or occupancy of a rental unit, or the
9 assignment of a lease for such a unit, including but not limited to monies demanded or paid
10 for parking, furnishing, food service, housing services of any kind, or subletting.

11 (q) Rent Increases. Any additional monies demanded or paid for rent as defined in
12 item (p) above, or any reduction in housing services without a corresponding reduction in the
13 monies demanded or paid for rent; provided, however, that (1) where the landlord has been
14 paying the tenant's utilities and cost of those utilities increase, the landlord's passing through
15 to the tenant of such increased costs does not constitute a rent increase; and (2) where there
16 has been a change in the landlord's property tax attributable to a ballot measure approved by
17 the voters between November 1, 1996, and November 30, 1998, the landlord's passing
18 through of such increased costs in accordance with this Chapter does not constitute a rent
19 increase.

20 (r) Rental Units. All residential dwelling units in the City and County of San
21 Francisco regardless of zoning or legal status, together with the land and appurtenant buildings
22 thereto, and all housing services, privileges, furnishings and facilities supplied in connection
23 with the use or occupancy thereof, including garage and parking facilities.

24 Garage and parking facilities, storage spaces, access to common areas, and any other
25 contiguous or non-contiguous physical spaces and facilities on the same lot may not be severed from

1 the tenancy by the landlord without just cause as required by Section 37.9(a) of this Chapter, unless (A)
2 required by law, or (B) necessitated by serious landlord hardship (such as verifiable disability or
3 illness), or (C) due to circumstances beyond the landlord's control (such as fire or other disaster). The
4 landlord's claim that such a severance, reduction or removal has been so required or necessitated by
5 landlord hardship or circumstances beyond the landlord's control, shall be determined at a hearing
6 upon application by either party to the Rent Board. Upon application for hearing, any proposed
7 decrease shall be stayed pending completion of hearing and decision before the Administrative Law
8 Judge and the Rent Board. At such hearing the landlord shall bear the burden of proof that the
9 severance, reduction or removal has been required, or necessitated by landlord hardship or
10 circumstances beyond the landlord's control. Any severance, reduction or removal permitted under
11 this Section shall be offset by a reduction in rent based upon the current market value of that severed
12 portion of the rental unit, except that the reduction may be less than the current market value as
13 determined by the Administrative Law Judge or the Rent Board upon consideration of the equities of
14 the case. Alternatively, by mutual and voluntary agreement the landlord and the tenant may sever a
15 garage or other parking facility or other physical space or facility from the tenancy.

16 The term "rental units" shall not include:

17 (1) Housing accommodations in hotels, motels, inns, tourist houses, rooming and
18 boarding houses, provided that at such time as an accommodation has been occupied by a
19 tenant for 32 continuous days or more, such accommodation shall become a rental unit
20 subject to the provisions of this Chapter; provided further, no landlord shall bring an action to
21 recover possession of such unit in order to avoid having the unit come within the provisions of
22 this Chapter. An eviction for a purpose not permitted under Section 37.9(a) shall be deemed
23 to be an action to recover possession in order to avoid having a unit come within the
24 provisions of this Chapter; Except that, as defined in Administrative Code Chapter 41, a
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1 residential unit in a Residential hotel that is not a tourist unit is a rental unit from the date of a tenant's
2 initial occupancy.

3 (2) Dwelling units in nonprofit cooperatives owned, occupied and controlled by a
4 majority of the residents or dwelling units solely owned by a nonprofit public benefit
5 corporation governed by a board of directors the majority of which are residents of the
6 dwelling units and where it is required in the corporate by-laws that rent increases be
7 approved by a majority of the residents;

8 (3) Housing accommodation in any hospital, convent, monastery, extended care
9 facility, asylum, residential care or adult day health care facility for the elderly which must be
10 operated pursuant to a license issued by the California Department of Social Services, as
11 required by California Health and Safety Chapters 3.2 and 3.3; or in dormitories owned and
12 operated by an institution of higher education, a high school, or an elementary school;

13 (4) Except as provided in Subsections (A) and (B), dwelling units whose rents are
14 controlled or regulated by any government unit, agency or authority, excepting those
15 unsubsidized and/or unassisted units which are insured by the United States Department of
16 Housing and Urban Development; provided, however, that units in unreinforced masonry
17 buildings which have undergone seismic strengthening in accordance with Building Code
18 Chapters 14 and 15 shall remain subject to the Rent Ordinances to the extent that the
19 ordinance is not in conflict with the seismic strengthening bond program or with the program's
20 loan agreements or with any regulations promulgated thereunder;

21 (A) For purposes of Sections 37.2, 37.3(a)(10)(A), 37.4, 37.5, 37.6, 37.9, 37.9A,
22 37.10A, 37.11A and 37.13, and the arbitration provisions of Sections 37.8 and 37.8A
23 applicable only to the provisions of Sections 37.3(a)(10)(A), the term "rental units" shall
24 include units occupied by recipients of tenant-based rental assistance where the tenant-based
25 rental assistance program does not establish the tenant's share of base rent as a fixed

1 percentage of a tenant's income, such as in the Section 8 voucher program and the “Over-
2 FMR Tenancy” program defined in 24 CFR Section 982.4;

3 (B) For purposes of Sections 37.2, 37.3(a)(10)(B), 37.4, 37.5, 37.6, 37.9, 37.9A,
4 37.10A, 37.11A and 37.13, the term “rental units” shall include units occupied by recipients of
5 tenant-based rental assistance where the rent payable by the tenant under the tenant-based
6 rental assistance program is a fixed percentage of the tenant's income; such as in the Section
7 8 certificate program and the rental subsidy program for the Housing Opportunities for
8 Persons with Aids (“HOPWA”) program (42 U.S.C. Section 12901 et seq., as amended).

9 (5) Rental units located in a structure for which a certificate of occupancy was first
10 issued after the effective date of this ordinance, except as provided for certain categories of
11 units and dwellings by Section 37.3(d) and Section 37.9A(b) of this Chapter;

12 (6) Dwelling units in a building which has undergone substantial rehabilitation after
13 the effective date of this ordinance; provided, however, that RAP rental units are not subject to
14 this exemption.

15 (7) Dwellings or units otherwise subject to this Chapter 37, to the extent such
16 dwellings or units are partially or wholly exempted from rent increase limitations by the Costa-
17 Hawkins Rental Housing Act (California Civil Code Sections 1954.50. et seq.) and/or San
18 Francisco Administrative Code Section 37.3(d).

19 (s) Substantial Rehabilitation. The renovation, alteration or remodeling of residential
20 units of 50 or more years of age which have been condemned or which do not qualify for
21 certificates of occupancy or which require substantial renovation in order to conform the
22 building to contemporary standards for decent, safe and sanitary housing. Substantial
23 rehabilitation may vary in degree from gutting and extensive reconstruction to extensive
24 improvements that cure substantial deferred maintenance. Cosmetic improvements alone
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1 such as painting, decorating and minor repairs, or other work which can be performed safely
2 without having the unit vacated do not qualify as substantial rehabilitation.

3 (t) Tenant. A person entitled by written or oral agreement, sub-tenancy approved
4 by the landlord, or by sufferance, to occupy a residential dwelling unit to the exclusion of
5 others.

6 (u) Tenant-Based Rental Assistance. Rental assistance provided directly to a tenant
7 or directly to a landlord on behalf of a particular tenant, which includes but shall not be limited
8 to certificates and vouchers issued pursuant to Section 8 of the United States Housing Act of
9 1937, as amended (42 U.S.C. Section 1437f) and the HOPWA program.

10 (v) Utilities. The term "utilities" shall refer to gas and electricity exclusively.
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12

13 Section 2. The San Francisco Administrative Code is hereby amended by amending
14 Section 37.3, to read as follows:

15 SEC. 37.3. RENT LIMITATIONS.

16 (a) Rent Increase Limitations for Tenants ~~in Occupancy~~. Landlords may impose rent
17 increases upon tenants ~~in occupancy~~ only as provided below and as provided by Subsection
18 37.3(d):

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

24 (2) Banking. A landlord who refrains from imposing an annual rent increase or any
25 portion thereof may accumulate said increase and impose that ~~amount~~ accrued dollar amount or

1 any portion thereof, on or after the tenant's subsequent rent increase anniversary dates. A
2 landlord who, between April 1, 1982, and February 29, 1984, has banked an annual seven percent rent
3 increase (or rent increases) or any portion thereof may impose the accumulated increase on the
4 tenant's subsequent rent increase anniversary dates. However, the total of the annual increase plus the
5 banked increase imposed in any one year may not exceed eight percent (8%) of the tenant's base rent.
6 The remainder may be imposed in following years, subject to this eight percent (8%) limitation.

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

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

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

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

8 (B) The landlord provides the tenants with written certification that no known
9 plumbing leaks currently exist in the building and that any leaks reported by tenants in the
10 future will be promptly repaired; and

11 (C) The landlord provides the tenants with a copy of the water bill for the period in
12 which the penalty was charged. Only penalties billed for a service period which begins after
13 the effective date of the ordinance [April 20, 1991] may be passed through to tenants. Where
14 penalties result from an allocation which does not reflect documented changes in occupancy
15 which occurred after March 1, 1991, a landlord must, if requested in writing by a tenant, make
16 a good-faith effort to appeal the allotment. Increases based upon penalties shall be prorated
17 on a per-room basis provided that the tenancy existed during the time the penalty charges
18 accrued. Such charges shall not become part of a tenant's base rent. Where a penalty in any
19 given billing period reflects a 25 percent or more increase in consumption over the prior billing
20 period, and where that increase does not appear to result from increased occupancy or any
21 other known use, a landlord may not impose any increase based upon such penalty unless
22 inspection by a licensed plumber or Water Department inspector fails to reveal a plumbing or
23 other leak. If the inspection does reveal a leak, no increase based upon penalties may be
24 imposed at any time for the period of the unrepaired leak.

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1 (6) Property Tax. A landlord may impose increases based upon a change in the
2 landlord's property tax resulting from the repayment of general obligation bonds of the City
3 and County of San Francisco approved by the voters between November 1, 1996, and
4 November 30, 1998 as provided in Section 37.2(q) above. Any rent increase for bonds
5 approved after the effective date of this initiative ordinance must be disclosed and approved
6 by the voters. The amount of such increase shall be determined for each tax year as follows:

7 (A) The Controller and the Board of Supervisors will determine the percentage of
8 the property tax rate, if any, in each tax year attributable to general obligation bonds approved
9 by the voters between November 1, 1996, and November 30, 1998, and repayable within
10 such tax year.

11 (B) This percentage shall be multiplied by the total amount of the net taxable value
12 for the applicable tax year. The result is the dollar amount of property taxes for that tax year
13 for a particular property attributable to the repayment of general obligation bonds approved by
14 the voters between November 1, 1996, and November 30, 1998.

15 (C) The dollar amount calculated under Subsection (B) shall be divided by the total
16 number of all units in each property, including commercial units. That figure shall be divided
17 by 12 months, to determine the monthly per unit costs for that tax year of the repayment of
18 general obligation bonds approved by the voters between November 1, 1996, and November
19 30, 1998.

20 (D) Landlords may pass through to each unit in a particular property the dollar
21 amount calculated under this Subsection (6). This passthrough may be imposed only on the
22 anniversary date of each tenant's occupancy of the property. This passthrough shall not
23 become a part of a tenant's base rent. The amount of each annual passthrough imposed
24 pursuant to this Subsection (6) may vary from year-to-year, depending on the amount
25 calculated under Subsections (A) through (C). Each annual passthrough shall apply only for

1 the 12 month period after it is imposed. A landlord may impose the passthrough described in
2 this Subsection (6) for a particular tax year only with respect to those tenants who were
3 residents of a particular property on November 1st of the applicable tax year. A landlord shall
4 not impose a passthrough pursuant to this Subsection (6) if the landlord has filed for or
5 received Board approval for a rent increase under Section 37.8(e)(4) for increased operating
6 and maintenance expenses in which the same increase in property taxes due to the
7 repayment of general obligation bonds was included in the comparison year cost totals.

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

10 (F) Landlords must provide to tenants, at least 30 days prior to the imposition of the
11 passthrough permitted under this Subsection (6), a copy of the completed form described in
12 Subsection (E). This completed form shall be provided in addition to the Notice of Rent
13 Increase required under Section 37.3(b)(5). A tenants may petition for a hearing under the
14 procedure described in Section 37.8 where the tenant alleges that a landlord has imposed a
15 charge which exceeds the limitations set forth in this Subsection (6). In such a hearing, the
16 burden of proof shall be on the landlord. Tenant petitions regarding this passthrough must be
17 filed within one year of the effective date of the passthrough.

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

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

23 (8) Additional Increases. A landlord who seeks to impose any rent increase which
24 exceeds those permitted above shall petition for a rental arbitration hearing pursuant to
25 Section 37.8 of this Chapter; provided further that a landlord who seeks to impose any rent increase

1 based upon the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50 et seq, "Costa-
2 Hawkins"), Section 37.3(d) of this Chapter, or any Rent Board Rules and Regulations intended to
3 implement Subsection 37.3(d), shall serve notice on the affected tenant(s) on a form developed for this
4 purpose by the Rent Board, and file the notice with a proof of service signed under penalty of perjury
5 with the Rent Board: the form shall include notice that Costa-Hawkins applies, a statement that there
6 is no disqualifying 30-day eviction notice or unsatisfied 90-day code violation, and information
7 explaining that a tenant may file a petition for hearing on the proposed increase under Section 37.8.
8 Provided further that where the rent increase is not authorized under the Costa-Hawkins Act, a
9 landlord who has given timely notice to a subtenant or subtenants that a new tenancy is created once
10 the last original tenant no longer permanently resides in the unit, and seeks to impose a rent increase
11 based on the departure of the last original tenant on the lease, shall first petition for a rent arbitration
12 hearing pursuant to Section 37.8 of this Chapter.

13 (9) A landlord may impose a rent increase to recover costs incurred for the
14 remediation of lead hazards, as defined in San Francisco Health Code Article 26. Such
15 increases may be based on changes in operating and maintenance expenses or for capital
16 improvement expenditures as long as the costs which are the basis of the rent increase are a
17 substantial portion of the work which abates or remediates a lead hazard, as defined in San
18 Francisco Health Code Article 26, and provided further that such costs are approved for
19 operating and maintenance expense increases pursuant to Section 37.8(e)(4)(A) and certified
20 as capital improvements pursuant to Section 37.7 below.

21 When rent increases are authorized by this Subsection 37.3(a)(9), the total rent
22 increase for both operating and maintenance expenses and capital improvements shall not
23 exceed 10 percent in any 12 month period. If allowable rent increases due to the costs of lead
24 remediation and abatement work exceed 10 percent in any 12 month period, an
25 Administrative Law Judge shall apply a portion of such excess to approved operating and

1 maintenance expenses for lead remediation work, and the balance, if any, to certified capital
2 improvements, provided, however, that such increase shall not exceed 10 percent. A landlord
3 may accumulate any approved or certified increase which exceeds this amount, subject to the
4 10 percent limit.

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

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

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

12 (ii) If the base rent is less than the payment standard, the rent increase limitations
13 of this Chapter shall not apply; provided, however, that any rent increase which would result in
14 the base rent being equal to or greater than the payment standard shall not result in a new
15 base rent that exceeds the payment standard plus the increase allowable under Section
16 37.3(a)(1).

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

22 (11) No extra rent may be charged solely for an additional occupant to an existing tenancy
23 (including, but not limited to, a newborn child or family member as defined by Section 401 of the
24 Housing Code), notwithstanding a rental agreement or lease that specifically permits a rent increase
25 for additional tenants, so long as one or more of the occupants of the unit pursuant to the agreement

1 with the owner remains an occupant in lawful possession of the unit, or so long as a lawful sublessee or
2 assignee who resided in the unit prior to January 1, 1996 remains in possession of the unit. Such
3 "extra rent" provisions in written or oral rental agreements or leases are deemed to be contrary to
4 public policy.

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

8 (1) Which portion of the rent increase reflects the annual increase, and/or a banked
9 amount, if any; provided further, that in order to impose a banked rent increase the landlord shall
10 inform the tenant in writing, on or before the date upon which the landlord gives the tenant legal notice
11 of a banked rent increase, the dates upon which said banked increase is based. The landlord shall bear
12 the burden of producing evidence that the landlord is entitled to any banked rent increase(s);

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

18 (3) Which portion of the rent increase reflects the passthrough of charges for gas
19 and electricity, or bond measure costs described in Section 37.3(a)(6) above, which charges
20 shall be explained in writing on a form provided by the Board as described in Section
21 37.3(a)(6)(E);

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

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

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

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

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

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

12 (A) An owner or residential real property may establish the initial and all subsequent
13 rental rates for a dwelling or a unit which is alienable separate from the title to any other
14 dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b), (d), or
15 (f) of Section 11004.5 of the California Business and Professions Code. The owner's right to
16 establish subsequent rental rates under this paragraph shall not apply to a dwelling or unit
17 where the preceding tenancy has been terminated by the owner by notice pursuant to
18 California Civil Code Section 1946 or has been terminated upon a change in the terms of the
19 tenancy noticed pursuant to California Civil Code Section 827; in such instances, the rent
20 increase limitation provisions of Chapter 37 shall continue to apply for the duration of the new
21 tenancy in that dwelling or unit.

22 (B) Where the initial or subsequent rental rates of a Subsection 37.3(d)(1)(A)
23 dwelling or unit were controlled by the provisions of Chapter 37 on January 1, 1995, the
24 following shall apply:
25

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

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

6 (C) An owner's right to establish subsequent rental rates under Subsection
7 37.3(d)(1) shall not apply to a dwelling or unit which contains serious health, safety, fire or
8 building code violations, excluding those caused by disasters, for which a citation has been
9 issued by the appropriate governmental agency and which has remained unabated for six
10 months or longer preceding the vacancy.

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

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

23 (i) The dwelling or unit has been cited in an inspection report by the appropriate
24 governmental agency as containing serious health, safety, fire, or building code violations, as
25

1 defined by Section 17920.3 of the California Health and Safety Code, excluding any violation
2 caused by a disaster; and,

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

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

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

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

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

22 (A) The tenant(s) who were beneficiaries of the contract or recorded agreement
23 shall be given at least 90 days' written notice of the effective date of the termination and shall
24 not be obligated to pay more than the tenant's portion of the rent, as calculated under that
25

1 contract or recorded agreement, for 90 days following receipt of the notice of termination or
2 nonrenewal.

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

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

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

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

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

19 (e) Effect of Deferred Maintenance on Passthroughs for Lead Remediation
20 Techniques.

21 (1) When lead hazards, which have been remediated or abated pursuant to San
22 Francisco Health Code Article 26, are also violations of State or local housing health and
23 safety laws, the costs of such work shall not be passed through to tenants as either a capital
24 improvement or an operating and maintenance expense if the Administrative Law Judge finds
25

1 that the deferred maintenance, as defined herein, of the current or previous landlord caused
2 or contributed to the existence of the violation of law.

3 (2) In any unit occupied by a lead-poisoned child and in which there exists a lead
4 hazard, as defined in San Francisco Health Code Article 26, there shall be a rebuttable
5 presumption that violations of State or local housing health and safety laws caused or created
6 by deferred maintenance, caused or contributed to the presence of the lead hazards. If the
7 landlord fails to rebut the presumption, that portion of the petition seeking a rent increase for
8 the costs of lead hazard remediation or abatement shall be denied. If the presumption is
9 rebutted, the landlord shall be entitled to a rent increase if otherwise justified by the standards
10 set forth in this Chapter.

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

19

20

21 Section 3. The San Francisco Administrative Code is hereby amended by amending
22 Section 37.8, to read as follows:

23 SEC. 37.8. ARBITRATION OF RENTAL INCREASE ADJUSTMENTS.

24 (a) Authority of Board and Administrative Law Judge. In accordance with such
25 guidelines as the Board shall establish, the Board and designated Administrative Law Judges

1 shall have the authority to arbitrate rental increase adjustments, and to administer the rent
2 increase protest procedures with respect to RAP rental units as set forth in Chapter 32 of the
3 San Francisco Administrative Code.

4 (b) Request for Arbitration.

5 (1) Landlords. Landlords who seek to impose rent increases which exceed the
6 limitations set forth in Section 37.3(a) above must request an arbitration hearing as set forth in
7 this Section. The burden of proof is on the landlord.

8 (2) Tenants.

9 (A) Notwithstanding Section 37.3, tenants of non-RAP rental units and tenants of
10 RAP rental units in areas designated on or after July 1, 1977, may request arbitration hearings
11 where a landlord has substantially decreased services without a corresponding reduction in
12 rent and/or has failed to perform ordinary repair and maintenance under State or local law
13 and/or has failed to provide the tenant with a clear explanation of the current charges for gas
14 and electricity or bond measure costs passed through to the tenant and/or imposed a
15 nonconforming rent increase which is null and void. The burden of proof is on the tenant.

16 (B) Tenants of RAP rental units in areas designated prior to July 1, 1977, may
17 petition for a hearing where the landlord has noticed an increase which exceeds the
18 limitations set forth in Section 32.73 of the San Francisco Administrative Code. After a
19 vacancy has occurred in a RAP rental unit in said areas, a new tenant of said unit may petition
20 for a hearing where the landlord has demanded and/or received a rent for that unit which
21 exceeds the rent increase limitations set forth in Section 32.73 of the San Francisco
22 Administrative Code. The burden of proof is on the landlord.

23 (c) Procedure for Landlord Petitioners.

24 (1) Filing. The request for arbitration must be filed on a petition form prescribed by
25 the Board and shall be accompanied by such supporting material as the Board shall

1 prescribe, including but not limited to, justification for the proposed rental increase.

2 (2) Filing Date. The petition must be filed prior to the mailing or delivering to the
3 tenant or tenants legal notice of the rental increase exceeding the limitations as defined in
4 Section 37.3.

5 (3) Effect of Timely Filing of Petition. Provided a completed petition is timely filed,
6 that portion of the requested rental increase which exceeds the limitations set forth in Section
7 37.3 and has not been certified as a justifiable increase in accordance with Section 37.7 is
8 inoperative until such time as the Administrative Law Judge makes findings of fact at the
9 conclusion of the arbitration hearing.

10 (4) Notice to Parties. The Board shall calendar the petition for hearing before a
11 designated Administrative Law Judge and shall give written notice of the date to the parties at
12 least 10 days prior to the hearing.

13 (d) Procedure for Tenant Petitioners.

14 (1) Filing; Limitation. The request for arbitration must be filed on a petition form
15 prescribed by the Board and must be accompanied by such supporting material as the Board
16 shall prescribe, including but not limited to, a copy of the landlord's notice of rent increase. If
17 the tenant petitioner has received certification findings regarding his rental unit in accordance
18 with Section 37.7, such findings must accompany the petition. If the tenant petitioner has
19 received a notification from the Chief Administrative Officer with respect to base rent and
20 amortization of a RAP loan, such notification must accompany the petition. Tenant petitions
21 regarding the gas and electricity passthrough must be filed within one year of the effective
22 date of the pass-through or within one year of the date the passthrough was required to be
23 recalculated pursuant to rules and regulations promulgated by the Board. Tenant petitions
24 regarding the bond passthrough described in Section 37.3(a)(6) must be filed within one year
25 of the effective date of the passthrough.

1 (2) Notice to Parties. The Board shall calendar the petition for hearing before a
2 designated Administrative Law Judge and shall give written notice of the date to the parties at
3 least 10 days prior to the hearing. Responses to a petition for hearing may be submitted in
4 writing.

5 (e) Hearings.

6 (1) Time of Hearing. The hearing shall be held within 45 days of the filing of the
7 petition. The level of housing services provided to tenants' rental units shall not be decreased
8 during the period between the filing of the petition and the conclusion of the hearing.

9 (2) Consolidation. To the greatest extent possible, hearings with respect to a given
10 building shall be consolidated.

11 (3) Conduct of Hearing. The hearing shall be conducted by an Administrative Law
12 Judge designated by the Board. Both parties may offer such documents, testimony, written
13 declarations or other evidence as may be pertinent to the proceedings. A record of the
14 proceedings must be maintained for purposes of appeal.

15 (4) Determination of the Administrative Law Judge: Rental Units. Based upon the
16 evidence presented at the hearing and upon such relevant factors as the Board shall
17 determine, the Administrative Law Judge shall make findings as to whether or not the
18 landlord's proposed rental increase exceeding the limitations set forth in Section 37.3 is
19 justified or whether or not the landlord has effected a rent increase through a reduction in
20 services or has failed to perform ordinary repair and maintenance as required by State or local
21 law; and provided further that, where a landlord has imposed a passthrough for property taxes
22 pursuant to Section 37.3(6)(D), the same increase in property taxes shall not be included in
23 the calculation of increased operating and maintenance expenses pursuant to this Subsection
24 (4). In making such findings, the Administrative Law Judge shall take into consideration the
25 following factors:

1 (A) Increases or decreases in operating and maintenance expenses, including, but
2 not limited to, real estate taxes, sewer service charges, janitorial service, refuse removal,
3 elevator service, security system, and debt service; provided, however, when a unit is
4 purchased after the effective date of this ordinance, and this purchase occurs within two years
5 of the date of the previous purchase, consideration shall not be given to that portion of
6 increased debt service which has resulted from a selling price which exceeds the seller's
7 purchase price by more than the percentage increase in the "Consumer Price Index for All
8 Urban Consumers for the San Francisco-Oakland Metropolitan Area, U.S. Department of
9 Labor" between the date of previous purchase and the date of the current sale, plus the cost
10 of capital improvements or rehabilitation work made or performed by the seller.

11 (B) The past history of increases in the rent for the unit and the comparison of the
12 rent for the unit with rents for comparable units in the same general area.

13 (C) Any findings which have been made pursuant to Section 37.7 with respect to the
14 unit.

15 (D) Failure to perform ordinary repair, replacement and maintenance in compliance
16 with applicable State and local law.

17 (E) Any other such relevant factors as the Board shall specify in rules and
18 regulations.

19 (5) Determination of the Administrative Law Judge: RAP Rental Units.

20 (A) RAP Rental Units in RAP Areas Designated Prior to July 1, 1977. The
21 Administrative Law Judge shall make findings as to whether or not the noticed or proposed
22 rental increase exceeds the rent increase limitations set forth in Section 32.73 of the San
23 Francisco Administrative Code. In making such findings, the Administrative Law Judge shall
24 apply the rent increase limitations set forth in Chapter 32 of the San Francisco Administrative
25 Code and all rules and regulations promulgated pursuant thereto. The Administrative Law

1 Judge shall consider the evidence presented at the hearing. The burden of proof shall be on
2 the landlord.

3 (B) RAP Rental Units in RAP Areas Designated On or After July 1, 1977. The
4 Administrative Law Judge shall make findings with respect to rent increases exceeding the
5 limitations as set forth in Section 37.3 of this Chapter. In making such findings, the
6 Administrative Law Judge shall take into consideration the factors set forth in Subsection (4)
7 above and shall consider evidence presented at the hearing. The burden of proof is on the
8 landlord.

9 (6) Findings of Fact. The Administrative Law Judge shall make written findings of
10 fact, copies of which shall be mailed to the parties within 30 days of the hearing.

11 (7) Payment or Refund of Rents to Implement Arbitration Decision. Upon finding
12 that all or any portion of the rent increase is or is not justified, or that any nonconforming rent
13 increase is null and void, the Administrative Law Judge may order payment or refund of all or
14 a portion of that cumulative amount within 15 days of the mailing of the findings of fact or may
15 order the amount added to or offset against future rents; provided, however, that any such
16 order shall be stayed if an appeal is timely filed by the aggrieved party. The Administrative
17 Law Judge may order refunds of rent overpayments resulting from rent increases which are
18 null and void for no more than the ~~three~~ five-year period preceding discovery of the overpayment
19 plus the month of the filing of a landlord or tenant petition, ~~plus and~~ the period between the
20 month of filing and the date of the Administrative Law Judge's decision. In any case,
21 calculation of rent overpayments and re-setting of the lawful base rent shall be based on a
22 determination of the validity of all rent increases imposed since April 1, 1982, in accordance
23 with Sections 37.3(b)(5) and 37.3(a)(2) above.

24 (8) Finality of Administrative Law Judge's Decision. The decision of the
25 Administrative Law Judge shall be final unless the Board vacates his decision on appeal.

1 (f) Appeals.

2 (1) Time and Manner. Any appeal to the Board from the determination of the
3 Administrative Law Judge must be made within 15 calendar days of the mailing of the findings
4 of fact unless such time limit is extended by the Board upon a showing of good cause. If the
5 fifteenth day falls on a Saturday, Sunday or legal holiday, the appeal may be filed with the
6 Board on the next business day. The appeal shall be in writing and must state why appellant
7 believes there was either error or abuse of discretion on the part of the Administrative Law
8 Judge. The filing of an appeal will stay only that portion of any Administrative Law Judge's
9 decision which permits payment, refund, offsetting or adding rent.

10 (2) Record on Appeal. Upon receipt of an appeal, the entire administrative record of
11 the matter, including the appeal, shall be filed with the Board.

12 (3) Appeals. The Board shall, in its discretion, hear appeals. In deciding whether or
13 not to hear a given appeal, the Board shall consider, among other factors, fairness to the
14 parties, hardship to either party, and promoting the policies and purposes of this Chapter, in
15 addition to any written comments submitted by the Administrative Law Judge whose decision
16 is being challenged. The Board may also review other material from the administrative record
17 of the matter as it deems necessary. A vote of three members shall be required in order for an
18 appeal to be heard.

19 (4) Remand to Administrative Law Judge Without Appeal Hearing. In those cases
20 where the Board is able to determine on the basis of the documents before it that the
21 Administrative Law Judge has erred, the Board may remand the case for further hearing in
22 accordance with its instructions without conducting an appeal hearing. Both parties shall be
23 notified as to the time of the re-hearing, which shall be conducted within 30 days of remanding
24 by the Board. In those cases where the Board is able to determine on the basis of the
25 documents before it that the Administrative Law Judge's findings contain numerical or clerical

1 inaccuracies, or require clarification, the Board may continue the hearing for purposes of re-
2 referring the case to said Administrative Law Judge in order to correct the findings.

3 (5) Time of Appeal Hearing; Notice to Parties. Appeals accepted by the Board shall
4 be heard within 45 days of the filing of an appeal. Within 30 days of the filing of an appeal,
5 both parties shall be notified in writing as to whether or not the appeal has been accepted. If
6 the appeal has been accepted, the notice shall state the time of the hearing and the nature of
7 the hearing. Such notice must be mailed at least 10 days prior to the hearing.

8 (6) Appeal Hearing; Decision of the Board. At the appeal hearing, both appellant
9 and respondent shall have an opportunity to present oral testimony and written documents in
10 support of their positions. After such hearing and after any further investigation which the
11 Board may deem necessary the Board may, upon hearing the appeal, affirm, reverse or
12 modify the Administrative Law Judge's decision or may remand the case for further hearing in
13 accordance with its findings. The Board's decision must be rendered within 45 days of the
14 hearing and the parties must be notified of such decision.

15 (7) Notification of the Parties. In accordance with item (6) above, parties shall
16 receive written notice of the decision. The notice shall state that this decision is final.

17 (8) Effective Date of Appeal Decisions. Appeal decisions are effective on the date
18 mailed to the parties; provided, however, that that portion of any decision which orders
19 payment, refund, offsetting or adding rent shall become effective 30 calendar days after it is
20 mailed to the parties unless a stay of execution is granted by a court of competent jurisdiction.

21 (9) Limitation of Actions. A landlord or tenant aggrieved by any decision of the
22 Board must seek judicial review within 90 calendar days of the date of mailing of the decision.

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24 //

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1 Section 4. 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 the
7 landlord acts in good faith, without ulterior motive and with honest intent, and unless:

8 (1) The tenant:

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

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

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

19 (B) Habitually pays the rent late; or

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

22 (2) The tenant has violated a lawful obligation or covenant of tenancy other than the
23 obligation to surrender possession upon proper notice or other than an obligation to pay a
24 charge prohibited by Police Code Section 919.1, and failure to cure such violation after having
25 received written notice thereof from the landlord, provided further that notwithstanding any

1 lease provision to the contrary, a landlord shall not endeavor to recover possession of a rental
2 unit as a result of subletting of the rental unit by the tenant if the landlord has unreasonably
3 withheld the right to sublet following a written request by the tenant, so long as the tenant
4 continues to reside in the rental unit and the sublet constitutes a one-for-one replacement of
5 the departing tenant(s). If the landlord fails to respond to the tenant in writing within fourteen
6 (14) days of receipt of the tenant's written request, the tenant's request shall be deemed
7 approved by the landlord. In addition, a landlord shall not endeavor to recover possession of a
8 rental unit as a result of the addition by the tenant of additional occupants to the rental unit, if the total
9 number of occupants occupying a room for sleeping purposes does not violate the superficial floor area
10 standards prescribed in Subsection (b) of Housing Code Section 503; or

11 (3) The tenant is committing or permitting to exist a nuisance in, or is causing
12 substantial damage to, the rental unit, or is creating a substantial interference with the
13 comfort, safety or enjoyment of the landlord or tenants in the building, and the nature of such
14 nuisance, damage or interference is specifically stated by the landlord in writing as required
15 by Section 37.9(c); or

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

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

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

25

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
6 of 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
15 owners of record of the rental unit on or before February 21, 1991, the term "landlord" shall be
16 defined as an owner of record of at least 10 percent interest in the property or, for Section
17 37.9(a)(8)(i) 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 defined
21 as an owner of record of at least 25 percent interest in the property or, for Section 37.9(a)(8)(i)
22 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 demolish an
14 unreinforced masonry building pursuant to Building Code Chapters 14 and 15 must provide
15 the tenant with the relocation assistance specified in Section 37.9A(~~f e~~) below prior to the
16 tenant's vacating the premises; where the landlord seeks to demolish or otherwise permanently
17 remove a unit from rental housing use, regardless of the unit's zoning or legal status, each authorized
18 occupant of the unit (including any minor child) who has resided in the unit for 12 or more months as
19 of the time the unit is vacated pursuant to notice shall be entitled to receive relocation expenses of
20 \$2,000, in addition to all rights under any other provision of law. One-half of the relocation assistance
21 payment shall be provided to each such authorized occupant at the time of service of the notice to
22 vacate, and the remaining one-half payment shall be paid within 72 hours after vacating the premises.
23 A landlord who pays relocation costs as required by this subsection in conjunction with a notice to quit
24 need not pay relocation costs with any further notices to quit for the same unit that are served within
25 180 days of the notice that included the required relocation payment. Commencing March 1, 2003,

1 these relocation expenses shall increase annually at the rate of increase in the "rent of primary
2 residence" expenditure category of the Consumer Price Index (CPI) for the preceding 12 months, as
3 that data is made available by the United States Department of Labor. The remedies available under
4 this Subsection 37.9(a)(10) shall be in addition to any other remedies that may be available to a
5 tenant.; or

6 (11) The landlord seeks ~~in good faith~~ to remove temporarily the unit from housing use
7 in order to be able to carry out capital improvements or rehabilitation work and has obtained
8 all the necessary permits ~~on or~~ before the date upon which notice to vacate is given, ~~and does~~
9 ~~so without ulterior reasons and with honest intent.~~ Any ~~tenant~~ authorized occupant (including any
10 minor child) who vacates the unit under such circumstances shall have the right to reoccupy
11 the unit at the prior rent adjusted in accordance with the provisions of this Chapter. The tenant
12 will vacate the unit only for the minimum time required to do the work. On or before the date
13 upon which notice to vacate is given, the landlord shall advise ~~the tenant~~ said occupant(s) in
14 writing that the rehabilitation or capital improvement plans are on file with the Central Permit
15 Bureau of the Department of Building Inspection and that arrangements for reviewing such
16 plans can be made with the Central Permit Bureau. In addition to the above, no landlord shall
17 endeavor to recover possession of any unit subject to a RAP loan as set forth in Section
18 37.2(m) of this Chapter except as provided in Section 32.69 of the San Francisco
19 Administrative Code. ~~The tenant~~ Said occupant(s) shall not be required to vacate pursuant to
20 this Section 37.9(a)(11), for a period in excess of three months; provided, however, that such
21 time period may be extended by the Board or its Administrative Law Judges upon application
22 by the landlord. The Board shall adopt rules and regulations to implement the application
23 procedure. Any landlord who seeks to recover possession under this Section 37.9(a)(11) shall
24 pay ~~the tenant actual costs up to \$1,000~~ each authorized occupant (including any minor child) \$2,000
25 for ~~moving and~~ relocation expenses not less than 10 days prior to recovery of possession, one-half

1 of which shall be paid at the time of the service of the notice to vacate and one-half of which shall be
2 paid within 72 hours after vacating the premises. A landlord who pays relocation costs as required by
3 this subsection in conjunction with a notice to quit need not pay relocation costs with any further
4 notices to quit for the same unit that are served within 180 days of the notice that included the required
5 relocation payment. Commencing March 1, 2003, these relocation expenses shall increase annually at
6 the rate of increase in the "rent of primary residence" expenditure category of the Consumer Price
7 Index (CPI) for the preceding 12 months, as that data is made available by the United States
8 Department of Labor; or

9 (12) The landlord seeks to recover possession ~~in good faith~~ in order to carry out
10 substantial rehabilitation, as defined in Section 37.2(s), and has obtained all the necessary
11 permits ~~on or~~ before the date upon which notice to vacate is given, ~~and does so without ulterior~~
12 ~~reasons and with honest intent~~. Notwithstanding the above, no landlord shall endeavor to recover
13 possession of any unit subject to a RAP loan as set forth in Section 37.2(m) of this Chapter
14 except as provided in Section 32.69 of the San Francisco Administrative Code. Any landlord
15 who seeks to recover possession under this Section 37.9(a)(12) shall pay each authorized occupant
16 (including any minor child) a minimum of \$2,000 for moving, relocation and other consequential
17 expenses, one-half of which shall be paid at the time of the service of notice to vacate, and one-half of
18 which shall be paid within 72 hours after vacating the premises. A landlord who pays relocation costs
19 as required by this subsection in conjunction with a notice to quit need not pay relocation costs with
20 any further notices to quit for the same unit that are served within 180 days of the notice that included
21 the required relocation payment. Commencing March 1, 2003, these relocation expenses shall
22 increase annually at the rate of increase in the "rent of primary residence" expenditure category of the
23 Consumer Price Index (CPI) for the preceding 12 months, as that data is made available by the United
24 States Department of Labor.; or

1 (13) The landlord wishes to withdraw from rent or lease all rental units within any
2 detached physical structure and, in addition, in the case of any detached physical structure
3 containing three or fewer rental units, any other rental units on the same lot, and complies in
4 full with Section 37.9A with respect to each such unit; provided, however, that a unit classified
5 as a residential unit under Chapter 41 of this Code which is vacated under this Section
6 37.9(a)(13) may not be put to any use other than that of a residential hotel unit without
7 compliance with the provisions of Section 41.9 of this Code; or

8 (14) The landlord seeks ~~in good faith~~ to temporarily recover possession of the unit for
9 less than 30 days solely for the purpose of effecting lead remediation or abatement work, as
10 required by San Francisco Health Code Article 26. The relocation rights and remedies,
11 established by San Francisco Administrative Code Chapter 72, including but not limited to, the
12 payment of financial relocation assistance, shall apply to evictions under this Section
13 37.9(a)(14).

14 (b) A landlord who resides in the same rental unit with his or her tenant may evict
15 said 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
17 least one of the grounds enumerated in Section 37.9(a) or (b) above is the landlord's
18 dominant motive for recovering possession and the landlord is acting in good faith, with honest
19 intent, without ulterior motive in all actions precedent to recovery of possession; and unless the
20 landlord informs the tenant in writing on or before the date upon which notice to vacate is
21 given of the grounds under which possession is sought and that advice regarding the notice to
22 vacate is available from the Residential Rent Stabilization and Arbitration Board, before
23 endeavoring to recover possession. A copy of all notices to vacate except three-day notices to
24 vacate or pay rent and a copy of any additional written documents informing the tenant of the
25 grounds under which possession is sought shall be filed with the Board within 10 days

1 following service of the notice to vacate. The District Attorney shall determine whether the
2 units set forth on the list compiled in accordance with Section 37.6(k) are still being occupied
3 by the tenant who succeeded the tenant upon whom the notice was served. In cases where
4 the District Attorney determines that Section 37.9(a)(8) has been violated, the District Attorney
5 shall take whatever action he deems appropriate under this Chapter or under State law.

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

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

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

1 for mental or emotional distress, said award shall only be trebled if the trier of fact finds that
2 the landlord acted in knowing violation of or in reckless disregard of Section 37.9 or 37.10A
3 herein. The prevailing party shall be entitled to reasonable attorney's fees and costs pursuant
4 to order of the court. The remedy available under this Section 37.9(f) shall be in addition to
5 any other existing remedies which may be available to the tenant or the Board.

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

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

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

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

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

22 (B) Is disabled within the meaning of Section 37.9(i)(1)(B)(i) and has been residing
23 in the unit for 10 years or more, or is catastrophically ill within the meaning of Section
24 37.9(i)(1)(B)(ii) and has been residing in the unit for five years or more:

25

1 (i) A “disabled” tenant is defined for purposes of this Section 37.9(i)(1)(B) as a
2 person who is disabled or blind within the meaning of the federal Supplemental Security
3 Income/California State Supplemental Program (SSI/SSP), and who is determined by
4 SSI/SSP to qualify for that program or who satisfies such requirements through any other
5 method of determination as approved by the Rent Board;

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

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

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

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

1 A tenant's failure to submit a statement within the 30 day period shall be deemed an
2 admission that the tenant is not protected by Section 37.9(i). A landlord may challenge a
3 tenant's claim of protected status either by requesting a hearing with the Rent Board or, at the
4 landlord's option, through commencement of eviction proceedings, including service of a
5 notice of termination of tenancy. In the Rent Board hearing or the eviction action, the tenant
6 shall have the burden of proof to show protected status. No civil or criminal liability under
7 Section 37.9(e) or (f) shall be imposed upon a landlord for either requesting or challenging a
8 tenant's claim of protected status.

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

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15 Section 5. The San Francisco Administrative Code is hereby amended by amending
16 Section 37.9B, to read as follows:

17 SEC. 37.9B. TENANT RIGHTS IN EVICTIONS UNDER SECTION 37.9(a)(8).

18 (a) Any rental unit which a tenant vacates after receiving a notice to quit based on
19 Section 37.9(a)(8), and which is subsequently no longer occupied as a principal residence by
20 the landlord or the landlord's grandparent, parent, child, grandchild, brother, sister, or the
21 landlord's spouse, or the spouses of such relations must, if offered for rent during the three-
22 year period following service of the notice to quit under Section 37.9(a)(8), be rented in good
23 faith at a rent not greater than at which would have been the rent had the tenant who had
24 been required to vacate remained in continuous occupancy and the rental unit remained
25 subject to this Chapter. If it is asserted that a rent increase could have taken place during the

1 occupancy of the rental unit by the landlord if the rental unit had been subjected to this
2 Chapter, the landlord shall bear the burden of proving that the rent could have been legally
3 increased during the period. If it is asserted that the increase is based in whole or in part upon
4 any grounds other than that set forth in Section 37.3(a)(1), the landlord must petition the Rent
5 Board pursuant to the procedures of this Chapter. Displaced tenants shall be entitled to
6 participate in and present evidence at any hearing held on such a petition. Tenants displaced
7 pursuant to Section 37.9(a)(8) shall make all reasonable efforts to keep the Rent Board
8 apprised of their current address. The Rent Board shall provide notice of any proceedings
9 before the Rent Board to the displaced tenant at the last address provided by the tenant. No
10 increase shall be allowed on account of any expense incurred in connection with the
11 displacement of the tenant.

12 (b) Any landlord who, within three years of the date of service of the notice to quit,
13 offers for rent or lease any unit in which the possession was recovered pursuant to Section
14 37.9(a)(8) shall first offer the unit for rent or lease to the tenants displaced in the same
15 manner as provided for in Sections 37.9A(c) and (d).

16 (c) An owner who endeavors to recover possession under Section 37.9(a)(8) shall,
17 in addition to complying with the requirements of Section 37.9(c), inform the tenant in writing
18 of the following and file any written documents informing the tenant of the following with the
19 Rent Board within 10 days after service of the notice to vacate;

20 (1) The identity and percentage of ownership of all persons holding a full or partial
21 percentage ownership in the property;

22 (2) The dates the percentages of ownership were recorded;

23 (3) The name(s) of the landlord endeavoring to recover possession and, if
24 applicable, the name(s) and relationship of the relative(s) for whom possession is being
25 sought and a description of the current residence of the landlord or relative(s);

1 (4) A description of all residential properties owned, in whole or in part, by the
2 landlord and, if applicable, a description of all residential properties owned, in whole or in part,
3 by the landlord's grandparent, parent, child, grandchild, brother, or sister for whom possession
4 is being sought;

5 (5) The current rent for the unit and a statement that the tenant has the right to re-
6 rent the unit at the same rent, as adjusted by Section 37.9B(a) above;

7 (6) The contents of Section 37.9B, by providing a copy of same; and

8 (7) The right the tenant(s) may have to relocation costs and the amount of those
9 relocation costs.

10 (d) Each ~~individual tenant~~ authorized occupant (including any minor child) of any rental
11 unit ~~in a building containing two or more units~~ who receives a notice to quit based upon Section
12 37.9(a)(8), and who has resided in the unit for 12 or more months at the time the unit is vacated
13 pursuant to notice in addition to all rights under any other provision of law, shall be entitled to
14 receive relocation expenses of ~~\$1,000~~ \$2000 from the owner, ~~\$500~~ one-half of which shall be
15 paid at the time of the service of the notice to vacate, and ~~\$500~~ one-half of which shall be paid
16 ~~when the tenant vacates~~ within 72 hours after vacating the premises. A landlord who pays relocation
17 costs as required by this subsection in conjunction with a notice to quit need not pay relocation costs
18 with any further notices to quit for the same unit that are served within 180 days of the notice that
19 included the required relocation payment. Commencing March 1, 2003, these relocation expenses
20 shall increase annually at the rate of increase in the "rent of primary residence" expenditure category
21 of the Consumer Price Index (CPI) for the preceding 12 months, as that data is made available by the
22 United States Department of Labor. An owner who pays relocation costs as required by this
23 subsection in conjunction with a notice to quit need not pay relocation costs with any further
24 notices to quit for the same unit that are served within 180 days of the notice that included the
25 required relocation payment. The relocation costs contained herein are separate from any

1 security or other refundable deposits as defined in California Code Section 1950.5. Further,
2 payment or acceptance of relocation costs shall not waive any other rights a tenant may have
3 under law.

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6 Section 6. The San Francisco Administrative Code is hereby amended by amending
7 Section 37.11A, to read as follows:

8 SEC. 37.11A. CIVIL ACTIONS.

9 Whenever a landlord charges a tenant a rent which exceeds the limitations set forth in
10 this Chapter, retaliates against a tenant for the exercise of any rights under this Chapter, or
11 attempts to prevent a tenant from acquiring any rights under this Chapter, the tenant may
12 institute a civil proceeding for money damages against the landlord, the landlord's successor in
13 interest, or both; provided, however, that any monetary award for rent overpayments ~~resulting~~
14 ~~from a rent increase which is null and void pursuant to Section 37.3(b)(5) shall be limited to~~ shall
15 include a refund of rent overpayments made during the ~~three-year period preceding the~~ month of
16 filing of the action, plus the period between the month of filing and the date of the court's
17 order. In any case, calculation of rent overpayments and re-setting of the lawful base rent
18 shall be based on a determination of the validity of all rent increases imposed since April 1,
19 1982, in accordance with Sections 37.3(b)(5) and 37.3(a)(2) above. The prevailing party in
20 any civil action brought under this Section 37.11A shall be entitled to recover reasonable
21 attorneys' fees and costs. The remedy available under this Section shall be in addition to any
22 other existing remedies which may be available to the tenant.

23 //
24 //
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1 Section 7. The San Francisco Housing Code is hereby amended by amending Section
2 503, to read as follows:

3 SEC. 503. ROOM DIMENSIONS.

4 (a) Ceiling Heights. Unless legally constructed as such, no habitable room shall have a
5 ceiling height less than seven feet six inches. Any room, other than a habitable room, shall
6 have a ceiling height of not less than seven feet.

7 (b) Superficial Floor Area. Every dwelling unit and congregate residence shall have at
8 least one room which shall have not less than 120 square feet of superficial floor area. Every
9 room which is used for both cooking and living or both living and sleeping purposes shall have
10 not less than 144 square feet of superficial floor area. Every room used for sleeping purposes
11 shall have not less than 70 square feet of superficial floor area. When more than two persons
12 occupy a room used for sleeping purposes the required superficial floor area shall be
13 increased at the rate of 50 square feet for each occupant in excess of two. Guest rooms with
14 cooking shall contain the combined required superficial areas of a sleeping room and a
15 kitchen, but not less than 144 square feet. Other habitable rooms shall be not less than 70
16 square feet. Notwithstanding any provision of this Section, children under the age of six shall
17 not be counted for purposes of determining whether a family with minor children complies with
18 the provisions of this Code.

19 (c) Width. No habitable room except a kitchen shall be less than seven feet in width.
20 Rooms used as guest rooms with cooking shall have a 10-foot minimum width.

21 (d) Housing Access. To promote access to affordable housing ~~by families~~, it shall be
22 unlawful for the owner, lessor, lessee, sublessee, real estate broker, assignee, or other
23 person having the rights of ownership, the right of possession, or other right to rent or lease
24 any dwelling unit or any agent or employee of such person to refuse to rent or lease, or
25 otherwise deny, a dwelling unit to ~~a family, as defined in Section 401 of this Code,~~ any person on

1 the basis of the actual or potential number of occupants if the total number of persons
2 occupying a room for sleeping purposes does not violate the minimum superficial floor area
3 standards prescribed in Subsection (b) of this Section. The protections of this subsection shall
4 apply to prospective tenants at the commencement of a lease or other rental agreement, and to current
5 tenants under an existing lease or other rental agreement who seek to share the leased premises with
6 an additional occupant or occupants.

7 (e) Remedies. A violation of Subsection (d) of this Section shall be subject to civil
8 remedies specified in Section 204 (e) of this Code.

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

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14 By: MARIE CORLETT BLITS
15 Deputy City Attorney

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