

BOARD of SUPERVISORS



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

MEMORANDUM

TO: Robert Collins, Executive Director, Residential Rent Stabilization and Arbitration Board
Eric D. Shaw, Director, Mayor's Office of Housing and Community Development

FROM: John Carroll, Assistant Clerk, Government Audit and Oversight Committee, Board of Supervisors

DATE: July 1, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, transferred from the Land Use and Transportation Committee, introduced by Supervisor Preston on May 19, 2019:

File No. 200518

Ordinance amending the Administrative Code to subject dwelling units at Midtown Park Apartments, a residential development owned by the City and County of San Francisco, to the Residential Rent Stabilization and Arbitration Ordinance; and making findings pursuant to as required by the California Tenant Protection Act of 2019.

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

c: Eugene Flannery, Mayor's Office of Housing and Community Development
Amy Chan, Mayor's Office of Housing and Community Development
Office of Chair Mar,
Office of Supervisor Preston

1 [Administrative Code - Rent Control at Midtown Park Apartments]

2

3 **Ordinance amending the Administrative Code to subject dwelling units at Midtown Park**
4 **Apartments, a residential development owned by the City and County of San Francisco,**
5 **to the Residential Rent Stabilization and Arbitration Ordinance; and making findings**
6 **pursuant to as required by the California Tenant Protection Act of 2019.**

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

11

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

13

14 Section 1. The Administrative Code is hereby amended by revising Sections 37.2 and
15 37.3, to read as follows:

16 **SEC. 37.2. DEFINITIONS.**

17 * * * *

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

22 * * * *

23 The term "rental units" shall not include:

24 * * * *

25

1 (4) Except as provided in subsections (A)-(E), ~~(B) and (C)~~, dwelling units whose
2 rents are controlled or regulated by any government unit, agency, or authority, excepting
3 those unsubsidized and/or unassisted units which are insured by the United States
4 Department of Housing and Urban Development; provided, however, that units in unreinforced
5 masonry buildings which have undergone seismic strengthening in accordance with Building
6 Code Chapters 16B and 16C shall remain subject to the Rent Ordinances to the extent that
7 the ordinance is not in conflict with the seismic strengthening bond program or with the
8 program's loan agreements or with any regulations promulgated thereunder;

9 * * * *

10 (E) The term "rental units" shall include dwelling units at Midtown Park
11 Apartments, as set forth in Section 37.12A.

12 * * * *

13
14 **SEC. 37.3. RENT LIMITATIONS.**

15 (a) **Rent Increase Limitations for Tenants in Occupancy.** Landlords may impose
16 rent increases upon tenants in occupancy only as provided below and as provided by
17 subsections 37.3(d), ~~and~~ 37.3(g), and 37.12A(c):

18 * * * *

19
20 Section 2. The Administrative Code is hereby amended by adding Section 37.12A, to
21 read as follows:

22 **SEC. 37.12A. MIDTOWN PARK APARTMENTS**

23 (a) Midtown Park Apartments ("Midtown"), which is located at 1415 Scott Street, San
24 Francisco (Lot 31, Assessor's Block 1099), is a City-owned apartment complex in the Western Addition
25 neighborhood that opened in 1968 to provide housing to families displaced by urban renewal policies.

1 From 1968-2014, a tenant board was empowered to make decisions regarding Midtown's management
2 and development, and Midtown tenants generally received rent increases commensurate with the city's
3 rent control laws. On or about January 31, 2014, the City began to operate Midtown under a program
4 that set rents based on household gross income, which caused some tenants to experience significant
5 rent increases. The Board of Supervisors finds it is appropriate and in the public interest to extend rent
6 control protections to tenants at Midtown, and enacts this Section 37.12A in order to assure a smooth
7 transition to coverage under this Chapter 37.

8 (b) The City shall not endeavor to recover possession of a residential dwelling unit located
9 at Midtown Park Apartments (each, a "Midtown Unit") except as authorized by Section 37.9, as it may
10 be amended from time to time; and provided, further, that Section 37.9(a)(8) and Section 37.9(a)(13)
11 shall not apply to Midtown Units.

12 (c) For Midtown Units where one or more of the tenants has been occupying the unit since
13 January 1, 2014 (each, a "Legacy Tenant"), the initial base rent shall be the rent that was in effect for
14 the unit on May 1, 2014, plus any allowable increases under Section 37.3. For Midtown Units without
15 a Legacy Tenant, the initial base rent shall be the rent in effect at the time the tenancy commenced, plus
16 any allowable increases under Section 37.3. All subsequent rent increases shall be subject to the rent
17 increase limitations of Section 37.3 as it may be amended from time to time.

18 (d) The City shall discharge its duties as Landlord through the Mayor's Office of Housing
19 and Community Development ("MOHCD"). MOHCD may adopt rules and regulations consistent with
20 this Chapter 37 to manage the property, and shall develop procedures to verify Legacy Tenant status
21 and to set the rent consistent with subdivision (c). If a tenant has paid rent after May 1, 2014 in excess
22 of the rent allowed under subdivision (c), MOHCD shall credit the excess payment against the tenant's
23 future rent payments as soon as practicable after the effective date of this Section 37.12A. Nothing in
24 this Section 37.12A shall affect or impair the ability of either MOHCD or a person residing in a
25 Midtown Unit to file a petition to the Rent Board as set forth in this Chapter 37.

LEGISLATIVE DIGEST

[Administrative Code - Rent Control at Midtown Park Apartments]

Ordinance amending the Administrative Code to subject dwelling units at Midtown Park Apartments, a residential development owned by the City and County of San Francisco, to the Residential Rent Stabilization and Arbitration Ordinance; and making findings pursuant to as required by the California Tenant Protection Act of 2019.

Existing Law

Midtown Park Apartments is a residential building owned by the City. Rental units at Midtown are not subject to the City's Rent Ordinance. Instead, rents at Midtown are set by the Mayor's Office of Housing and Community Development ("MOHCD"), based on a percentage of each tenant's household income.

Amendments to Current Law

The legislation would bring units at Midtown Park Apartments under the Rent Ordinance. The Rent Ordinance limits rent increases and regulates when a tenant may be evicted, generally without regard to a tenant's household income. The legislation also states that the City may not perform owner move-in or Ellis Act evictions at Midtown.

Background Information

Midtown Park Apartments is located at 1415 Scott Street, San Francisco (Lot 31, Assessor's Block 1099).

n:\legana\as2020\2000279\01449185.docx

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

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

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

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

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

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

Sponsor(s):

Subject:

The text is listed:

Signature of Sponsoring Supervisor:

For Clerk's Use Only