

1 [Administrative Code - Housing Inventory]

2

3 **Ordinance amending the Administrative Code to require owners of residential dwelling**
4 **units to report certain information to the Rent Board; to authorize the Rent Board to**
5 **issue a license to owners who report the information; and to require that an owner**
6 **have a license to impose certain types of rent increases; ~~and to impose a surcharge on~~**
7 **~~top of the existing Rent Board fee to cover the Rent Board's associated costs.~~**

8

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

13

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

15

16 Section 1. Purpose and Findings.

17 The City adopted the Rent Ordinance in 1979 to safeguard tenants from excessive rent
18 increases that landlords were able to impose due to the critically low vacancy rates in San
19 Francisco. The Rent Ordinance helps to address those concerns, but there is a compelling
20 need to maintain an accurate inventory of the City's residential housing stock, in order to
21 enable the Rent Board to track landlord-tenant relationships, inspect and investigate housing
22 services and rents, and better administer the Rent Ordinance. The City's existing records do
23 not accurately list all the units that are subject to the Rent Ordinance. However, in directing
24 the Rent Board to create a housing inventory, the Board of Supervisors does not intend that
25 the Rent Board should set rents through a rent registry; San Francisco has regulated landlord-

1 tenant relationships without a rent registry and the Board of Supervisors intends that the Rent
2 Board should continue with this approach.

3
4 Section 2. The Administrative Code is hereby amended by revising Section 37.3;
5 adding new Section 37.15; and renumbering existing Section 37.15 as Section 37.16 and
6 revising that Section, to read as follows:

7 **SEC. 37.3. RENT LIMITATIONS.**

8 (a) Rent Increase Limitations for Tenants in Occupancy. Landlords may impose rent
9 increases upon tenants in occupancy only as provided below and as provided by subsections
10 37.3(d) and 37.3(g):

11 (1) Annual Rent Increase. On March 1~~st~~ of each year, the Board shall publish the
12 increase in the CPI for the preceding 12 months, as made available by the U.S. Department of
13 Labor. A landlord who has reported the required information about their rental unit to the Rent Board
14 as set forth in Section 37.15 shall have a license to ~~may~~ impose annually a rent increase which
15 does not exceed a tenant's base rent by more than 60% ~~percent~~ of said published increase. In
16 no event, however, shall the allowable annual increase be greater than 7% ~~seven percent~~.

17 (2) Banking. A landlord who refrains from imposing an annual rent increase or any
18 portion thereof may accumulate said increase and, subject to Section 37.15, impose that amount
19 on the tenant's subsequent rent increase anniversary dates. A landlord who, between April 1,
20 1982, and February 29, 1984, has banked an annual 7% ~~seven percent~~ rent increase (or rent
21 increases) or any portion thereof may impose the accumulated increase on the tenant's
22 subsequent rent increase anniversary dates.

23 * * * *

1 **SEC. 37.15. REPORTING OBLIGATIONS; LICENSING.**

2 (a) Starting July 1, 2022, Owners of residential dwelling units subject to this Chapter 37
3 shall be required to report certain information about their units to the Rent Board, as set forth in
4 subsections (b) and (c). In the case of a unit owned by multiple owners, reporting by a single
5 owner shall suffice. Owners shall report the information using a form prepared by the Rent Board.
6 The Rent Board may, in addition to or in lieu of a paper form, develop an electronic form or a secure
7 internet website with an interface for owners to submit the required information. The Rent Board may
8 develop procedures for tenants to also report information about their units, but in that event reporting
9 by tenants shall be optional rather than required.

10 (b) Owners shall report the following information under penalty of perjury for each unit:
11 (4) the mailing address of the each unit and whether the unit is Owner-Occupied. The term
12 “Owner-Occupied” shall refer to a unit which is occupied by an owner of record on either a full-
13 time or part-time basis and is not rented at any time, as set forth in Administrative Code
14 Section 37A.1(f). Depending on whether the unit is Owner-Occupied, the following reporting
15 requirements shall apply:

16 (1) If the unit is Owner-Occupied, then the owner shall not be required to report
17 any further information about the unit under this subsection (b).

18 (2) If the unit is not Owner-Occupied, then the owner shall be required to report
19 under penalty of perjury the following additional information about the unit: ; (2)(A) the name
20 and business contact information (address, phone number, email address) of the owner(s), or of the
21 property manager, if any, designated by the owner(s) to address habitability issues; (3)(B) the
22 business registration number for the unit, if any; (4)(C) the approximate square footage to the best of
23 the owner’s or manager’s knowledge, and number of bedrooms and bathrooms in the unit; (5)(D)
24 whether the unit is vacant or occupied, and the date the vacancy or; (6) for vacant units, the last
25 date of occupancy; (7) for occupied units, the date the occupancy commenced; (E) the start and

1 end dates of any other vacancies or occupancies that have occurred during the previous 12
2 months; ~~(8)~~(F) for tenant-occupied units, the base rent reported in \$250 increments, and whether the
3 base rent includes specified utilities (water/sewer, refuse/recycling, natural gas, electricity, etc.); ~~(9)~~
4 if during the previous 12 months an occupied unit became vacant or a vacant unit became
5 occupied, the report shall include the date(s) the unit became vacant or occupied; and
6 ~~(10)~~and (G) any other information that the Rent Board deems appropriate following a noticed public
7 meeting in order to effectuate the purposes of this Chapter 37.

8 (c) For units (other than condominium units) in buildings with 10 units or more,
9 Owners shall submit the information described in subsection (b) shall be reported to the Rent Board
10 by July 1, 2022, Updated information shall be due on or before and updated by March 1,
11 2023 and annually by March July 1 of each successive year. For condominium units and units in
12 buildings with fewer than 10 units, the information shall be reported commencing March 1,
13 2023 and updated annually by March 1 of each successive year. Unit information Owners
14 shall also be required to updated the information described in subsection (b) within 30 days of any
15 change in the name or business contact information of the owner or designated property manager.

16 (d) The Rent Board shall use the information it receives under this Section 37.15 to create a
17 housing inventory that may be used for purposes of inspecting and investigating the level of housing
18 services being provided to tenants, investigating and analyzing rents and vacancies, monitoring
19 compliance with this Chapter 37, generating reports and surveys, and providing assistance to landlords
20 and tenants and other City departments as needed. The Rent Board shall not use the information to
21 operate a rental registry within the meaning of California Civil Code Sections 1947.7 – 1947.8.

22 (e) If a landlord has substantially complied with the obligation to report information about a
23 rental unit as required under this Section 37.15, the landlord shall receive a license to impose rent
24 increases on tenants in that unit under Sections 37.3(a)(1)-(2). If the landlord has not substantially
25 complied with the reporting obligation, then the license to impose rent increases shall be temporarily

1 suspended during the period of the landlord's noncompliance. Upon receipt of the required
2 information from the landlord, the suspension shall be terminated, and the license to impose rent
3 increases shall be restored prospectively, but a tenant shall not be obligated to pay the increased rent
4 for months during the period of suspension.

5
6 **SEC. ~~37.15~~ 37.16. SEVERABILITY.**

7 If any provision or clause of this Chapter 37 or the application thereof to any person
8 or circumstance is held to be unconstitutional or to be otherwise invalid by any court of
9 competent jurisdiction, such invalidity shall not affect other Chapter provisions, and clauses of
10 this Chapter are declared to be severable.

11
12 Section 3. The Administrative Code is hereby amended by revising Section 37A.2, ~~and~~
13 ~~adding Section 37A.4.5,~~ to read as follows:

14 **SEC. 37A.2. FINDINGS.**

15 The Board of Supervisors hereby finds:

16 * * * *

17 (d) The fee for each residential unit shall equal the projected annual cost of funding
18 the Rent Board, plus related administrative costs pursuant to Section 10.194 of this Code
19 (which includes without limitation the costs incurred by ~~including, but not limited to,~~ the Tax
20 Collector and Controller), divided by the total number of residential units estimated to pay the
21 fee minus any balance remaining in the fund set forth in Section 10.117-88 of this Code;
22 provided, however, that in calculating the fee, the Controller shall round up any fraction of a
23 dollar to the next whole dollar; ~~and provided further, that the Controller shall disregard the~~
24 ~~costs related to creating and maintaining the housing inventory as set forth in Section 37.15,~~
25 ~~which shall instead be recovered through a separate surcharge under Section 37A.4.5. For~~

1 the purposes of this calculation, a guest room shall be counted as one-half of a residential unit
2 and shall be charged half the fee. The Assessor and the Director of the Department of
3 Building Inspection shall release to the Rent Board ~~Department of Technology Information~~
4 ~~Services Division (ISD) of the Department of Telecommunications and Information Services (DTIS)~~ by
5 June 1~~st~~ information necessary for compilation of the billing list. The Rent Board shall
6 ~~Controller shall~~ compile the list, determine the total number of residential units and submit this
7 information to the Controller. The Controller shall calculate the fee by July 31~~st~~. The fee shall
8 be recalculated on by July 31 each year.

9 * * * *

10
11 **SEC. 37A.4.5. IMPOSITION OF SURCHARGE FOR HOUSING INVENTORY.**

12 ~~—There shall be an additional surcharge on residential units subject to the Residential~~
13 ~~Rent Stabilization and Arbitration fee, to pay for the Rent Board’s administrative costs to~~
14 ~~create and maintain the housing inventory as required by Administrative Code Section 37.15.~~
15 ~~The Controller shall calculate the surcharge in the same manner as the fee in section~~
16 ~~37A.2(d). The Controller shall publish the initial amount of the surcharge no later than 30~~
17 ~~days after the effective date of the ordinance in Board File No. _____, enacting Section 37.15,~~
18 ~~and the surcharge shall become effective 60 days thereafter unless modified by a subsequent~~
19 ~~ordinance. The surcharge shall be collected in the same manner as the fee, and landlords~~
20 ~~may seek recovery of 50% of the surcharge from tenants in occupancy in the same manner~~
21 ~~as they may seek recovery from tenants in occupancy with respect to the fee. The surcharge~~
22 ~~is levied for regulatory purposes only, and is not designed or intended for revenue purposes,~~
23 ~~and any surplus collected in a given year will reduce the surcharge in the next fiscal year.~~

1 Section 4. Effective and Operative Dates.

2 (a) This ordinance shall become effective 30 days after enactment. Enactment occurs
3 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not
4 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the
5 Mayor's veto of the ordinance.

6 (b) This ordinance shall become operative on July 1, 2022.
7

8 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
9 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
10 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
11 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
12 additions, and Board amendment deletions in accordance with the "Note" that appears under
13 the official title of the ordinance.
14

15 Section 6. Undertaking for the General Welfare. In enacting and implementing this
16 ordinance, the City is assuming an undertaking only to promote the general welfare. It is not
17 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it
18 is liable in money damages to any person who claims that such breach proximately caused
19 injury.
20

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

23 By: /s/
24 MANU PRADHAN
25 Deputy City Attorney
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