

1 [Administrative Code - Disclosure of Costs to Residential Tenants]

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3 **Ordinance amending the Administrative Code to require that online listings and lease**
4 **agreements for residential rental units clearly disclose the total estimated monthly cost**
5 **of the unit inclusive of rent and any required fees and charges; authorize tenants to**
6 **terminate their leases early and without penalty if they have not received adequate**
7 **disclosures of such fees or charges; restrict the ability of landlords to evict or impose**
8 **late penalties on tenants for the nonpayment of fees or charges that were not**
9 **adequately disclosed; and delete various obsolete provisions.**

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

15

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

17

18 Section 1. Chapter 37 of the Administrative Code is hereby amended by revising
19 Section 37.9, and adding a new Section 37.9G, to read as follows:

20

SEC. 37.9. EVICTIONS.

21

22 Notwithstanding Section 37.3, this Section 37.9 shall apply as of August 24, 1980, to all
23 landlords and tenants of rental units as defined in Section 37.2(r).

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

24

(1) The tenant:

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1 (A) Has failed to pay the rent to which the landlord is lawfully entitled under the
2 oral or written agreement between the tenant and landlord, except that:-

3 ~~———— (i) Except that this subsection (a)(1)(A) shall not apply to a tenant's nonpayment
4 of a charge prohibited by Section 919.1 of the Police Code shall not constitute a failure to pay
5 rent; and, or to the nonpayment of fees or charges imposed in violation of Section 37.9G(d) or any
6 other law.~~

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

13 (B) Habitually pays the rent late; or

14 (C) Gives checks which are frequently returned because there are insufficient
15 funds in the checking account;

16 ~~———— (D) Provided, however, that subsection (a)(1) shall not apply with respect to rent
17 payments that initially became due during the time period when paragraph 2 of the Governor's
18 Executive Order No. N-28-20 was in effect (March 16, 2020 through September 30, 2020), and where
19 the tenant's failure to pay (i) arose out of a substantial decrease in household income (including, but
20 not limited to, a substantial decrease in household income caused by layoffs or a reduction in the
21 number of compensable hours of work, or substantial out-of-pocket expenses); (ii) that was caused by
22 the COVID-19 pandemic, or by any local, state, or federal government response to COVID-19; and
23 (iii) is documented. The types of documentation that a tenant may use to show an inability to pay due to
24 COVID-19 may include, without limitation, bank statements, pay stubs, employment termination
25 notices, proof of unemployment insurance claim filings, sworn affidavits, and completed forms~~

1 prepared by the Rent Board. A tenant shall have the option, but shall not be required, to use third-party
2 documentation such as a letter from an employer to show an inability to pay. The provisions of this
3 subsection (a)(1)(D), being necessary for the welfare of the City and County of San Francisco and its
4 residents, shall be liberally construed to effectuate its purpose, which is to protect tenants from being
5 evicted for missing rent payments due to the COVID-19 pandemic. Nothing in this subsection (a)(1)(D)
6 shall relieve a tenant of the obligation to pay rent, nor restrict a landlord's ability to recover rent due;

7 ~~—— (E) Provided, further, that subsection (a)(1) also shall not apply with respect to rent~~
8 ~~payments that initially became due during the time period between July 1, 2022, and 60 days after the~~
9 ~~date that the Mayor's proclamation of emergency related to the COVID-19 pandemic ceases to be in~~
10 ~~effect, if the tenant can show inability to pay the rent because of the financial impacts of the COVID-19~~
11 ~~pandemic as set forth in subsection (a)(1)(D). Nothing in this subsection (a)(1)(E) shall relieve a tenant~~
12 ~~of the obligation to pay rent, nor restrict a landlord's ability to recover rent due.~~

13 ~~—— (F) The protections in subsections (a)(1)(D) and (a)(1)(E) shall also apply to units~~
14 ~~where the rent is controlled or regulated by the City, notwithstanding Section 37.2(r)(4), including~~
15 ~~without limitation privately operated units controlled or regulated by the Mayor's Office of Housing~~
16 ~~and Community Development and/or the Department of Homelessness and Supportive Housing. This~~
17 ~~subsection (a)(1)(F) shall apply to all such units, including but not limited to those where a notice to~~
18 ~~vacate or quit was pending as of the date that this subsection (a)(1)(F) first took effect and regardless~~
19 ~~whether the notice was served before, on, or after April 3, 2023.~~

20 (2) The tenant has violated a lawful obligation or covenant of tenancy other than
21 the obligation to surrender possession upon proper notice or other than an obligation to pay a
22 charge prohibited by Police Code Section 919.1, the violation was substantial, and the tenant
23 fails to cure such violation after having received written notice thereof from the landlord.

24 * * * *

1 ~~(E) Notwithstanding any lease provision to the contrary, a landlord may not impose~~
2 ~~late fees, penalties, interest, liquidated damages, or similar charges due to a tenant's non-payment of~~
3 ~~rent, if the tenant can demonstrate that it missed the rent payment due to the COVID-19 pandemic as~~
4 ~~set forth in subsections (a)(1)(D), (a)(1)(E), and/or (a)(1)(F). A landlord may not recover possession of~~
5 ~~the unit due to a tenant's failure to pay late such charges when subsections (a)(1)(D), (a)(1)(E), and/or~~
6 ~~(a)(1)(F) apply. The foregoing sentence shall not enlarge or diminish a landlord's rights with respect~~
7 ~~to such charges when subsections (a)(1)(D), (a)(1)(E), and/or (a)(1)(F) do not apply.~~

8 (E) Subsection (a)(2) shall not apply with respect to a tenant's nonpayment of fees or
9 charges imposed in violation of Section 37.9G(d) or any other law.

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12 **SEC. 37.9G. REQUIRED DISCLOSURE OF FEES AND CHARGES.**

13 (a) Purpose. Tenants in San Francisco frequently encounter fees and charges that are not
14 disclosed in rental listings or lease agreements, or that are disclosed only in a confusing or obscured
15 manner separate from the advertised rent. These undisclosed or hidden fees often make it difficult for
16 prospective tenants to understand the true total cost of renting a unit and expose them to unexpected
17 financial burdens after they have committed to a tenancy. In some cases, these fees may even violate
18 the Rent Ordinance. Clear and timely disclosure of the "Total Estimated Monthly Cost" – the total
19 monthly cost that the tenant is required to pay to or on behalf of the landlord in order to rent the unit,
20 inclusive of all lawful fees and charges – will promote transparency and fairness in the rental market.
21 And in situations where a tenant may have consented to a fee or charge without adequate disclosure, it
22 is necessary to provide the tenant an early option to terminate the lease so that the tenant can avoid
23 incurring those unanticipated financial obligations into the future, and to prevent tenants who have not
24 paid such fees or charges from facing increased financial penalties and from being evicted solely on
25 that basis. In requiring disclosure, this Section 37.9G does not authorize landlords to impose fees or

1 charges not permitted by law; does not prevent landlords from offering existing tenants additional
2 housing services after the start of their tenancies; and does not prohibit charges for property damages,
3 lost keys, or similar matters if otherwise permitted by law.

4 (b) **Total Estimated Monthly Cost.** “Total Estimated Monthly Cost” shall mean the base rent,
5 plus any other lawful fees or charges that landlord may require the tenant to pay on an ongoing basis
6 as a condition of the tenancy. This Section 37.9G does not authorize a landlord to impose a fee or
7 charge or rent increase on a rent-controlled tenant that is otherwise prohibited under this Chapter 37.

8 (c) **Online Listings.** Commencing January 1, 2027, online listings for rental units shall include
9 a clear and conspicuous disclosure of any application fees, screening fees, or similar charges that will
10 be required of prospective tenants; and if a listing states the rent then it shall also include the Total
11 Estimated Monthly Cost for the unit, in the same sized font as the rent and adjacent to the rent, so that
12 both figures may be read together. The listing shall also itemize any fees or charges that are included
13 in the Total Estimated Monthly Cost, with a statement of the purpose and amount of each fee or charge.
14 If the listing does not disclose the Total Estimated Monthly Cost in substantial compliance with these
15 requirements, the subsequent tenant shall have the option to terminate the tenancy at any time by
16 providing written notice to the landlord. The landlord may not impose any penalties on the tenant or
17 deduct from the tenant’s security deposit solely due to such early termination, notwithstanding any
18 lease provision to the contrary. The tenant’s option to terminate the lease shall be in addition to any
19 other remedies that may apply.

20 (d) **Lease Agreements.** Lease agreements dated January 1, 2027 or later shall disclose the
21 Total Estimated Monthly Cost for the unit on the first page of the lease in the same size font as the rent
22 and adjacent to the rent wherever the rent appears, so that both figures are presented together. The
23 agreement shall also itemize any fees and charges that are included in the Total Estimated Monthly
24 Cost, with a statement of the purpose and amount of each fee or charge; and if the agreement requires
25 the tenant to pay a fee or charge in an amount that varies from month to month, then the itemization

1 shall specify the manner in which the amounts are calculated and shall state the average monthly costs
2 for the unit over the prior 12 months. If the agreement requires the tenant to pay a fee or charge but
3 does not disclose the fee or charge substantially in compliance with these requirements, then (1) the
4 tenant shall have the option to terminate the tenancy without penalty as provided in Section 37.9G(c),
5 in addition to any other remedies provided by law; (2) the landlord may not recover possession of the
6 unit for nonpayment of the fee or charge as provided in Sections 37.9(a)(1)(A)(ii) and (a)(2)(E); and
7 (3) the landlord may not impose late fees, penalties, interest, liquidated damages, or similar charges on
8 the tenant due to the unpaid fee or charge. This subsection (d) only limits the landlord's ability to seek
9 the remedies and penalties specified in the previous sentence, and does not relieve a tenant of the
10 obligation to pay a fee or charge that was otherwise lawfully agreed to in the lease agreement or
11 restrict a landlord's ability to recover any such amounts due.

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13 Section 2. Effective Date. This ordinance shall become effective on the 31st day after
14 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
15 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
16 of Supervisors overrides the Mayor's veto of the ordinance.

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18 Section 3. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
19 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
20 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
21 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
22 additions, and Board amendment deletions in accordance with the "Note" that appears under
23 the official title of the ordinance.

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