

[Administrative Code - Ban on Automated Rent-Setting]

Ordinance amending the Administrative Code to authorize tenant's rights organizations to enforce the prohibition against landlords' ~~prohibit the sale or use of~~ algorithmic devices to set rents or manage occupancy levels for residential dwelling units located in San Francisco, and to authorize enforcement by tenants' rights organizations.

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

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

Section 1. Chapter 37 of the Administrative Code is hereby amended by revising Section 37.10C, to read as follows:

SEC. 37.10C. USE AND SALE OF ALGORITHMIC DEVICES PROHIBITED.

(a) **Prohibition on Sale.** It shall be unlawful to sell, license, or otherwise provide to San Francisco landlords any algorithmic device that sets, recommends, or advises on rents or occupancy levels that may be achieved for residential dwelling units in San Francisco.

(b) **Prohibition on Use.** It shall be unlawful for a landlord to use an algorithmic device described in subdivision (a) when setting rents or occupancy levels for residential dwelling units in San Francisco. Each separate month that a violation exists or continues, and each separate residential dwelling unit for which the landlord used the algorithmic device, shall constitute a separate and distinct violation.

1 * * * *

2 (d) **Remedies.**

3 (1) The City Attorney may file a civil action for violations of subsections (a)
4 and/or (b), for damages, injunctive relief, restitution/return of illegal profits, and/or civil
5 penalties of up to \$1,000 per violation. The court shall award reasonable attorney's fees and
6 costs to the City Attorney if the City Attorney is the prevailing party in such a civil action.

7 (2) A tenant may file a civil action for violations of subsection (b), for injunctive
8 relief, money damages, and/or civil penalties of up to \$1,000 per violation. The court shall
9 award reasonable attorney's fees and costs to the tenant if the tenant is the prevailing party in
10 such a civil action. A lease provision that limits a prevailing tenant from obtaining attorneys'
11 fees shall not be enforceable against a tenant's claim for attorneys' fees that arises under this
12 subsection (d)(2).

13 (3) A nonprofit organization with tax-exempt status under 26 United States
14 Code Section 501(c)(3) or 501(c)(4) and with a primary mission of protecting the rights of
15 tenants in San Francisco may also bring a civil action to enforce violations of subsection (b)
16 and seek the remedies set forth in subsection (d)(2), including attorneys' fees and costs.

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19 Section 2. Clarification Regarding Existing Text. This ordinance was duplicated from
20 Board File No. 240766 in the Land Use and Transportation Committee on July 29, 2024. That
21 ordinance was adopted by the Board of Supervisors on September 3, 2024, and took effect
22 following approval by the Mayor as Ordinance No. 224-24. This ordinance now shows the
23 amendments from the original file that became effective as existing text (consistent with the
24 explanatory note immediately below the long title), does not show sections of the original file
25 that are not being amended by this ordinance, including the uncodified Section 1 of that

1 ordinance, and shows the amendments to this ordinance approved in Committee as Board
2 amendments.

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4 Section 3. Effective Date. This ordinance shall become effective 30 days after
5 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
6 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
7 of Supervisors overrides the Mayor’s veto of the ordinance.

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9 APPROVED AS TO FORM:
10 DAVID CHIU, City Attorney

11 By: /s/
12 MANU PRADHAN
13 Deputy City Attorney
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