#### **BOARD of SUPERVISORS**



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# MEMORANDUM

TO: Christina Varner, Acting Executive Director, Rent Board

Eric D. Shaw, Director, Mayor's Office of Housing and Community

Development

Adrienne Pon, Executive Director, Office of Civic Engagement and

**Immigrant Affairs** 

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: December 15, 2021

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Preston on December 7, 2021:

#### File No. 211265

Ordinance amending the Administrative Code to require landlords pursuing certain types of evictions to first provide their tenants written notice and an opportunity to cure, unless the eviction is based on an imminent health or safety issue or the non-payment of COVID-19 rental debt; and making findings that the eviction protections in the Rent Ordinance are more protective than those found in State law pursuant to California Civil Code, Section 1946.2.

If you have 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 or by email at: <a href="mailto:erica.major@sfgov.org">erica.major@sfgov.org</a>.

cc: Lydia Ely, Mayor's Office of Housing and Community Development
Brian Cheu, Mayor's Office of Housing and Community Development
Maria Benjamin, Mayor's Office of Housing and Community Development

[Administrative Code -	<ul> <li>Tenant Opportunity</li> </ul>	To Cure; Eviction	n Protections]
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Ordinance amending the Administrative Code to require landlords pursuing certain types of evictions to first provide their tenants written notice and an opportunity to cure, unless the eviction is based on an imminent health or safety issue or the non-payment of COVID-19 rental debt; and making findings that the eviction protections in the Rent Ordinance are more protective than those found in State law pursuant to California Civil Code, Section 1946.2.

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. Purpose and Findings.

The Rent Ordinance recognizes that tenants owe certain obligations to their landlords, and that a tenant's failure to meet those obligations may under certain conditions give the landlord just cause to evict. But the Rent Ordinance generally does not specify for how long a tenant's misconduct must continue before it rises to the level of being a just cause. This ambiguity creates confusion, and is particularly harmful to tenants, as some landlords claim that a tenant's violation instantly creates just cause to evict even if the tenant just made an innocent mistake or is able to correct the issue. A cure period would reduce the undue hardship suffered by tenants who face sudden evictions and promote economy in the use of

1	judicial resources, while still protecting the property owners by curing the harm. It is essential
2	to provide clarity around what constitutes just cause: if a tenant can correct the violation within
3	a reasonable timeframe, to nevertheless evict the tenant and put them at risk of permanent
4	displacement from the City is not appropriate.
5	
6	Section 2. The Administrative Code is hereby amended by revising Section 37.1, to
7	read as follows:
8	SEC. 37.1. TITLE AND FINDINGS.
9	* * * *
10	(d) In accordance with California Civil Code Section 1946.2(g)(1)(B), the Board of
11	Supervisors finds that this Chapter 37 further limits the permissible reasons for termination of a
12	residential tenancy and provides additional tenant protections as compared to California Civil Code
13	Section 1946.2, which the California Legislature adopted as part of the Tenant Protection Act of 2019.
14	The Board of Supervisors therefore finds that this Chapter 37 is more protective of tenants than Section
15	1946.2, and intends that this Chapter 37 shall apply rather than Section 1946.2.
16	
17	Section 3. The Administrative Code is hereby amended by revising Section 37.9, to
18	read as follows:
19	SEC. 37.9. EVICTIONS.
20	Notwithstanding Section 37.3, this Section 37.9 shall apply as of August 24, 1980, to
21	all landlords and tenants of rental units as defined in Section 37.2(r).
22	(a) A landlord shall not endeavor to recover possession of a rental unit unless:
23	(1) The tenant:
24	(A) Has failed to pay the rent to which the landlord is lawfully entitled under the
25	oral or written agreement between the tenant and landlord:

1	* * * *
2	(B) Habitually pays the rent late; or
3	(C) Gives checks which are frequently returned because there are insufficient
4	funds in the checking account;
5	* * * *
6	(2) The tenant has violated a lawful obligation or covenant of tenancy other than
7	the obligation to surrender possession upon proper notice or other than an obligation to pay a
8	charge prohibited by Police Code Section 919.1, the violation was substantial, and the tenant
9	fails to cure such violation after having received written notice thereof from the landlord.
10	* * * *
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, the activities are
14	severe, continuing or recurring in nature, and the nature of such nuisance, damage or
15	interference is specifically stated by the landlord in writing as required by Section 37.9(c).
16	* * *
17	(4) The tenant is using or permitting a rental unit to be used for any illegal
18	purpose, provided however that a landlord shall not endeavor to recover possession of a
19	rental unit solely:
20	(A) as a result of a first violation of Chapter 41A that has been cured within 30
21	days written notice to the tenant; or
22	(B) because the illegal use is the residential occupancy of a unit not authorized
23	for residential occupancy by the City. Nothing in this Section 37.9(a)(4)(B) prohibits a landlord
24	from endeavoring to recover possession of the unit under Section 37.9(a)(8) or (10) of this
25	Chapter <u>37</u> .

- (5) The tenant, who had an oral or written agreement with the landlord which has terminated, has refused after written request or demand by the landlord to execute a written extension or renewal thereof for a further term of like duration and under such terms which are materially the same as in the previous agreement; provided, that such terms do not conflict with any of the provisions of this Chapter <u>37</u>; or
- (6) The tenant has, after written notice to cease, refused the landlord access to the rental unit as required by State or local law; or

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(c) A landlord shall not endeavor to recover possession of a rental unit unless at least one of the grounds enumerated in Section 37.9(a) or (b) above is (1) the landlord's dominant motive for recovering possession and (2) unless the landlord informs the tenant in writing on or before the date upon which notice to vacate is given of the grounds under which possession is sought. For notices to vacate under Sections 37.9(a)(1), (2), (3), (4), (5), or (6), the landlord shall prior to serving the notice to vacate provide the tenant a written warning and an opportunity to cure as set forth in Section 37.9(o). For and for notices to vacate under Sections 37.9(a)(8), (9), (10), (11), orand (14), the landord shall state in the notice to vacate the lawful rent for the unit at the time the notice is issued, before endeavoring to recover possession. The Board shall prepare a written form that (1) states that a tenant's failure to timely act in response to a notice to vacate may result in a lawsuit by the landlord to evict the tenant, and that advice regarding the notice to vacate is available from the Board; and (2) includes information provided by the Mayor's Office of Housing and Community Development regarding eligibility for affordable housing programs. The Board shall prepare the form in English, Chinese, Spanish, Vietnamese, Tagalog, and Russian and make the form available to the public on its website and in its office. A landlord shall attach a copy of the form that is in the primary language of the tenant to a notice to vacate before serving the notice, except that

if the tenant's primary language is not English, Chinese, Spanish, Vietnamese, Tagalog, or Russian, the landlord shall attach a copy of the form that is in English to the notice. A copy of all notices to vacate except three-day notices to pay rent or quit and a copy of any additional written documents informing the tenant of the grounds under which possession is sought shall be filed with the Board within 10 days following service of the notice to vacate. In any action to recover possession of the rental unit under Section 37.9, the landlord must plead and prove that at least one of the grounds enumerated in Section 37.9(a) or (b) and also stated in the notice to vacate is the dominant motive for recovering possession. Tenants may rebut the allegation that any of the grounds stated in the notice to vacate is the dominant motive.

(o) Notice and Opportunity to Cure. The grounds for recovering possession set forth in Sections 37.9(a)(1), (2), (3), (4), (5), and (6) shall not apply unless the violation is not cured within ten days after the landlord has provided the tenant a written warning that describes the alleged violation and informs the tenant that a failure to correct such violation within ten days may result in the initiation of eviction proceedings. The Rent Board shall prepare a form that landlords may use for this purpose. However, this Section 37.9(o) shall not apply if a longer notice and cure period applies (for example, under the terms of the lease agreement between the parties); or if the landlord is seeking to recover possession based on the tenant causing or creating an imminent risk of physical harm to persons or property; or if the landlord is seeking to recover possession based on the non-payment of rent or any other unpaid financial obligation of a tenant under the tenancy that came due between March 1, 2020 and March 31, 2022.

Section 4. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

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

Section 6. Severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of the ordinance. The Board of Supervisors hereby declares that it would have passed this ordinance and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this ordinance or application thereof would be subsequently declared invalid or unconstitutional.

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

By: /s/ MANU PRADHAN

Deputy City Attorney

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## **LEGISLATIVE DIGEST**

[Administrative Code - Tenant Opportunity To Cure; Eviction Protections]

Ordinance amending the Administrative Code to require landlords pursuing certain types of evictions to first provide their tenants written notice and an opportunity to cure, unless the eviction is based on an imminent health or safety issue or the non-payment of COVID-19 rental debt; and making findings that the eviction protections in the Rent Ordinance are more protective than those found in State law pursuant to California Civil Code, Section 1946.2.

## **Existing Law**

The Rent Ordinance (Admin. Code Ch. 37) recognizes various "just causes" for landlords to evict their tenants. Sections 37.9(a)(1)-(6) involve situations that are the fault of the tenant: (1) failure to pay rent; (2) violating a material term of the tenancy; (3) committing or allowing a nuisance that is severe, continuing, or recurring; (4) using or permitting the unit to be used for any illegal purpose; (5) refusal to execute a written extension or renewal of the lease under the same terms as existed previously; and (6) refusal to allow the landlord access to the unit as required by state or local law. If the tenant commits any of these violations, the landlord has just cause to evict. The Rent Ordinance does not generally specify how much time the landlord must give the tenant to cure the violation in these situations.

#### Amendments to Current Law

The proposed ordinance would create a 10-day cure period for all evictions under subsections (a)(1)-(6): the landlord would need to send the tenant a written warning notice that describes the alleged violation and informs the tenant that a failure to correct such violation within 10 days may result in the initiation of eviction proceedings. The landlord would have just cause to evict if the tenant had not addressed the violation within the 10-day period. But a 10-day warning period would not be required for evictions based on the tenant creating a serious and imminent risk of injury or property damage, or the nonpayment of COVID-19 rental debt.

The ordinance also adopts a finding pertaining to the Rent Ordinance generally, which states that the Rent Ordinance's tenant protections are more protective than those found under state law (the Tenant Protection Act of 2019, California Civil Code Section 1946.2).

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BOARD OF SUPERVISORS Page 1

# **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.	<b>→</b>			
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	sion			
Planning Commission  Building Inspection Commission				
Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative l	Form.			
Sponsor(s):				
Supervisor Preston; Walton, Chan, Peskin, Ronen, Haney				
Subject:				
Administrative Code - Tenant Opportunity To Cure; Eviction Protections				
The text is listed:				
Ordinance amending the Administrative Code to require landlords pursuing certain types of eviction	- 1			
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Ordinance are more protective than those found in State law pursuant to California Civil Code Secti				
Signature of Sponsoring Supervisor:				
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For Clerk's Use Only