

1 [Administrative Code - Government Regulated Rents]

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3 **Ordinance amending the Administrative Code to provide that tenant-occupied units in**
4 **buildings that will be receiving either low-income housing tax credits or tax-exempt**
5 **multifamily revenue bonds shall remain subject to the Rent Ordinance, as long as any**
6 **of the existing tenants continue to reside in the unit, or unless all the tenants in the unit**
7 **agree otherwise in writing; and for any such units that may have previously become**
8 **exempt from the Rent Ordinance since 2018, restoring rents to the levels allowed had**
9 **the Rent Ordinance continuously applied.**

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

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

18 Section 1. The Administrative Code is hereby amended by revising Section 37.2, to
19 read as follows:

20 **SEC. 37.2. DEFINITIONS.**

21 * * * *

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

* * * *

1 The term "rental units" shall not include:

2 * * * *

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

11 * * * *

12 (C) The term "rental units" shall include units in a building for which
13 either tax credits are reserved or obtained pursuant to the federal Low-Income Housing Tax
14 Credit program under ~~LIHTC~~, Section 42 of the Internal Revenue Code, 26 U.S.C. Section 42
15 ("LIHTC"), and/or tax-exempt multifamily revenue bonds are allocated or obtained pursuant to
16 Section ~~403142(d)~~ of the Internal Revenue Code, 26 U.S.C. Section ~~403142(d)~~ ("Bonds"), and that
17 were already tenant-occupied and subject to this Chapter 37 at the time the applicable LIHTC
18 regulatory agreement and/or Bond regulatory agreement was recorded, as follows that satisfy the
19 following criteria:

20 (i) If ~~Where~~ a tenant's occupancy of the unit began before the
21 applicable LIHTC regulatory agreement and/or Bond regulatory agreement was recorded, then
22 subsection (C) shall apply to that unit so long as any of the occupants who resided in the unit at the
23 time of the recording still permanently reside there. If the applicable regulatory agreement(s) were
24 recorded on or after January 1, 2018, then the base rent as of the effective date of the ordinance in
25

1 Board File No. 230770 shall be equal to the rent that was in effect as of the date the recording plus any
2 annual rent increases that may have been allowed under Sections 37.3(a)(1)-(2). ~~÷ and,~~

3 (ii) The tenants in a unit described in subsection (C)(i) shall have a one-
4 time option at any time to opt the unit out of subsection (C), and thereby subject the unit going forward
5 to such rent controls and use restrictions as may apply under the applicable LIHTC and/or Bond
6 regulatory agreement(s). All tenants residing in the unit at the time of the opt-out must consent to the
7 opt-out in writing, on a form prepared by the Rent Board, that advises the tenants of the requirements
8 under subsection (C) and that opt-outs may not be withdrawn. Once an opt-out has occurred in a unit,
9 subsection (C) will not apply to that unit and the unit will be exempt from Chapter 37 for the remaining
10 duration of the applicable regulatory agreement(s).

11 (iii) This exception for tenant-occupied units subject to LIHTC and/or Bond
12 regulatory agreements is not intended to affect the application of Section 37.2(r)(4) to units where
13 the rent is ~~otherwise~~ controlled or regulated by any use restrictions imposed by the City and
14 County of San Francisco, the ~~Office of Community Investment and Infrastructure~~ ~~San Francisco~~
15 Redevelopment Agency, the Housing Authority of the City and County of San Francisco, the State of
16 California ~~Office~~ ~~Department~~ of Housing and Community Development, or the United States
17 Department of Housing and Urban Development.

18 (iv) Nothing in this ~~S~~subsection 37.2(r)(4)(C) precludes a landlord from
19 seeking an exemption from rent regulation on the basis of substantial rehabilitation under
20 Section 37.3(g).

21 ~~This Section 37.2(r)(4)(C) definition of "rental unit" shall apply to any unit where the~~
22 ~~qualifying tenant (see Section 37.2(r)(4)(C)(i)) is in possession of the unit on or after the effective date~~
23 ~~of this ordinance (Ord. No. 281-06), including but not limited to any unit where the tenant has been~~
24 ~~served with a notice to quit but has not vacated the unit and there is no final judgment against the~~
25 ~~tenant for possession of the unit as of the effective date of this ordinance (Ord. No. 281-06).~~

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

7
8 Section 3. 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.

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21 Section 4. Severability. If any section, subsection, sentence, clause, phrase, or word of
22 this ordinance, or any application thereof to any person or circumstance, is held to be invalid
23 or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not
24 affect the validity of the remaining portions or applications of the ordinance. The Board of
25 Supervisors hereby declares that it would have passed this ordinance and each and every

1 section, subsection, sentence, clause, phrase, and word not declared invalid or
2 unconstitutional without regard to whether any other portion of this ordinance or application
3 thereof would be subsequently declared invalid or unconstitutional.

4 APPROVED AS TO FORM:
5 DAVID CHIU, City Attorney

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7 By: /s/
8 MANU PRADHAN
9 Deputy City Attorney
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City and County of San Francisco

Tails Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 230770

Date Passed: July 25, 2023

Ordinance amending the Administrative Code to provide that tenant-occupied units in buildings that will be receiving either low-income housing tax credits or tax-exempt multifamily revenue bonds shall remain subject to the Rent Ordinance, as long as any of the existing tenants continue to reside in the unit, or unless all the tenants in the unit agree otherwise in writing; and for any such units that may have previously become exempt from the Rent Ordinance since 2018, restoring rents to the levels allowed had the Rent Ordinance continuously applied.

July 17, 2023 Land Use and Transportation Committee - DUPLICATED

July 17, 2023 Land Use and Transportation Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

July 17, 2023 Land Use and Transportation Committee - RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

July 18, 2023 Board of Supervisors - PASSED ON FIRST READING

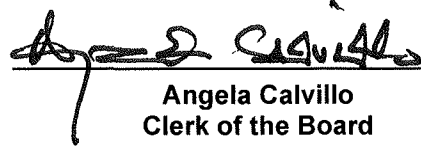
Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

July 25, 2023 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 230770

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 7/25/2023 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


London N. Breed
Mayor

7/28/23
Date Approved