

1 [Increasing the Annual Residential Rent Ordinance Fee to a maximum of \$27.00 per unit.]

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3 **Ordinance amending Administrative Code Chapter 37A “Residential Rent Stabilization**
4 **and Arbitration Fee” by amending Sections 37A.2 and 37A.6 to increase the maximum**
5 **annual residential rent ordinance fee from \$19 per unit in fiscal year 2000-2001 or \$16**
6 **per unit in other years, to \$27.00 per unit.**

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8 Note: Additions are *single-underline italics Times New Roman font*;
9 deletions are ~~*strikethrough italics Times New Roman font*~~.
10 Board amendment additions are double underlined Arial font;
11 Board amendment deletions are ~~strikethrough Arial font~~.

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

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14 Section 1. The San Francisco Administrative Code is hereby amended by amending
15 Section 37A.2, to read as follows:

16 SEC. 37A.2. FINDINGS.

17 The Board of Supervisors hereby finds:

18 (a) In Section 37.1 of this Code, the Board of Supervisors found that there was a
19 shortage of decent, safe and sanitary housing in the City and County of San Francisco
20 resulting in a critically low vacancy factor. The Board further found that rent regulation was
21 necessary in order to alleviate the ill effects of the City's housing shortage to meet the need
22 for affordable housing, and to advance the City's housing policies. The Board now hereby
23 finds that this housing shortage still persists and that rent regulation continues to be a
24 necessary and effective means of mitigating this condition.

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1 (b) By Ordinance No. 276-79, adopted June 12, 1979, the Board of Supervisors
2 enacted the Residential Rent Stabilization and Arbitration Ordinance ("Rent Ordinance,"
3 Chapter 37, San Francisco Administrative Code) to regulate residential rents in San
4 Francisco. The Ordinance created the Residential Rent Stabilization and Arbitration Board
5 ("Rent Board," Sections 37.1(a), (b) and 37.4) to administer and enforce the Rent Ordinance
6 and thereby safeguard tenants from excessive increases while at the same time assure
7 landlords fair and adequate rents. The Rent Board benefits both landlords and tenants by
8 providing for the orderly and efficient administration of the Rent Ordinance and by protecting
9 tenants from unreasonable rent increases and displacement while assuring that landlords
10 receive fair rents consistent with the Ordinance.

11 (c) It is fair and reasonable that the costs of administering and enforcing the Rent
12 Ordinance through the Rent Board should be equitably distributed among the City's residential
13 units.

14 Therefore, the Board finds that the owner of each residential unit as defined in Section
15 37A.1 above shall be required to pay an annual Rent Stabilization and Arbitration fee for each
16 unit.

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 including, but not limited to, the Tax Collector and Controller, divided by the total number of
20 residential units estimated to pay the fee minus any balance remaining in the fund set forth in
21 Section 10.117-88 of this Code; provided, however, that in calculating the fee, the Controller
22 shall round up any fraction of a dollar to the next whole dollar; provided further, however, that
23 the fee shall in no event exceed ~~\$16.00~~ \$27.00 per residential unit, ~~except that for fiscal year~~
24 ~~2000-2001 only the fee shall in no event exceed \$19.00~~. For the purposes of this calculation, a
25 guest room shall be counted as one-half of a residential unit and shall be charged half the fee.

1 The Assessor and the Director of the Department of Building Inspection shall release to the
2 Information Services Division (ISD) of the Department of Telecommunications and Information
3 Services (DTIS) by June 1st information necessary for compilation of the billing list. The
4 Controller shall compile the list, determine the total number of residential units and calculate
5 the fee by July 31st. The fee shall be recalculated on July 31st each year.

6 (e) The fee herein is for regulatory purposes only. It is not designed or intended for
7 revenue purposes. Any surplus collected in a given year will reduce the fee in the next fiscal
8 year.

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11 Section 2. The San Francisco Administrative Code is hereby amended by amending
12 Section 37A.6, to read as follows:

13 SEC. 37A.6. RECOVERY OF THE FEE, LIMITATIONS.

14 The owner may seek recovery of the fee from the tenant(s) in occupancy of each
15 residential unit on November 1st, up to a maximum of ~~\$16.00~~ \$27.00 per unit, as follows:

16 (a) An owner seeking recovery of the fee shall deduct it from the next interest
17 payment owed on the tenant's security deposit pursuant to Chapter 49 of this Code, except
18 that where the interest has been paid annually the owner may bill the tenant directly as
19 provided in subsection 37A.6(c); or

20 (b) When the fee is not collected during the year in which the owner is first entitled
21 to it, the owner may bank the fee and collect it in a future year. Only those fees that become
22 due after the effective date of this Ordinance may be banked. A banked fee may only be
23 collected as a deduction against security deposit interest due the tenant, except that where no
24 interest or insufficient interest exists (due to no deposit or low amount of deposit) the owner
25 may bill for any balance owing as provided in subsection 37A.6(c). The billing statement must

1 specifically show the fee amount owed by the tenant for each year, and the amount of interest
2 due the tenant (if any) for each year owing.

3 (c) To the extent provided in subsections 37A.6(a) and (b), the owner may bill the
4 tenant directly for the fee. The bill shall state the amount for that unit, that the purpose of the
5 fee is to fund the Rent Board and related administrative costs under Chapter 37A of the San
6 Francisco Administrative Code, and that the fee is due and payable within 30 days of the date
7 of the bill.

8 The owner remains liable for full payment of the fee to the Tax Collector whether or not
9 the owner seeks any recovery under one of the above methods or in fact does recover any
10 portion from the tenant.

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

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16 By:

MARIE CORLETT BLITS
Deputy City Attorney

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