

[Administrative, Planning Codes - Amending Regulation of Short-Term Residential Rentals and Establishing Fee]

Ordinance amending the Administrative Code to provide an exception for permanent residents to the prohibition on short-term residential rentals under certain conditions; to create procedures, including a registry administered by the Planning Department, for tracking short-term residential rentals and compliance; to establish an application fee for the registry; amending the Planning Code to clarify that short-term residential rentals shall not change a unit’s type as residential; affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

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 ~~italics Times New Roman font~~. **Board amendment additions** are in double-underlined Arial font. **Board amendment deletions** are in ~~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. The Board of Supervisors of the City and County of San Francisco hereby finds and determines that:

(a) General Plan and Planning Code Findings.

(1) On August 7, 2014, at a duly noticed public hearing, the Planning Commission in Resolution No. 19213 found that the proposed Planning Code amendments contained in this ordinance were consistent with the City’s General Plan and with Planning Code Section 101.1(b) and recommended that the Board of Supervisors adopt the proposed Planning Code amendments. A copy of said Resolution is on file with the Clerk of the Board of

1 Supervisors in File No. 140381 and is incorporated herein by reference. The Board finds that
2 the proposed Planning Code amendments contained in this ordinance are on balance
3 consistent with the City's General Plan and with Planning Code Section 101.1(b) for the
4 reasons set forth in said Resolution.

5 (2) Pursuant to Planning Code Section 302, the Board finds that the
6 proposed ordinance will serve the public necessity, convenience and welfare for the reasons
7 set forth in Planning Commission Resolution No. 19213, which reasons are incorporated
8 herein by reference as though fully set forth.

9 (b) Environmental Findings. The Planning Department has determined that the
10 actions contemplated in this ordinance comply with the California Environmental Quality Act
11 (California Public Resources Code Section 21000 et seq.). Said determination is on file with
12 the Clerk of the Board of Supervisors in File No. 140381 and is incorporated herein by
13 reference. The Board affirms this determination.

14 (c) General Findings.

15 (1) The widespread conversion of residential housing to short-term rentals,
16 commonly referred to as hotelization, was prohibited by this Board because, when taken to
17 extremes, these conversions could result in the loss of housing for permanent residents. But,
18 with the advent of new technology, the rise of the sharing economy, and the economic and
19 social benefits to residents of sharing resources, short-term rental activity continued to
20 proliferate. This has not only led the City to strengthen enforcement of short-term rental laws,
21 but also prompted an examination of parameters to regulate short-term rentals and create a
22 pathway to legalize this activity. The goal of regulation is to ensure compliance with all
23 requirements of the Municipal Code, including but not limited to the Business and Tax
24 Regulations Code and the Residential Rent Stabilization and Arbitration Ordinance, and
25 accountability for neighborhood quality of life.

1 (2) The exception created here for permanent residents would allow for
2 reasonable flexibility in renting residential spaces on an occasional basis; however, this
3 exception is only intended for residents who meet the definition of permanent resident so that
4 these units remain truly residential in use. Thus, the exception is only for primary residences
5 in which permanent residents are present for a significant majority of the calendar year.

6 (3) The hosting platforms, as part of a new but growing industry, would also
7 benefit from regulation to ensure good business standards and practices. Such regulation
8 includes required notification to users of local short-term rental laws and transient occupancy
9 tax obligations to San Francisco.

10 (4) The Office of the Treasurer & Tax Collector retains all of its existing
11 authority under the Business & Tax Regulations Code with regard to the subject matter of this
12 ordinance.

13
14 Section 2. The Administrative Code is hereby amended by revising Sections 37.9(a),
15 41A.4, 41A.5, and 41A.6, to read as follows:

16
17 **SEC. 37.9. EVICTIONS.** Notwithstanding Section 37.3, this Section shall apply as of
18 August 24, 1980, to all landlords and tenants of rental units as defined in Section 37.2(r).

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

20 (1) The tenant:

21 (A) Has failed to pay the rent to which the landlord is lawfully entitled
22 under the oral or written agreement between the tenant and landlord:

23 (i) Except that a tenant's nonpayment of a charge prohibited
24 by Section 919.1 of the Police Code shall not constitute a failure to pay rent; and
25

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

8 (B) Habitually pays the rent late; or

9 (C) Gives checks which are frequently returned because there are
10 insufficient funds in the checking account; or

11 (2) The tenant has violated a lawful obligation or covenant of tenancy other
12 than the obligation to surrender possession upon proper notice or other than an obligation to
13 pay a charge prohibited by Police Code Section 919.1, and failure to cure such violation after
14 having received written notice thereof from the landlord.

15 (A) Provided that notwithstanding any lease provision to the contrary,
16 a landlord shall not endeavor to recover possession of a rental unit as a result of subletting of
17 the rental unit by the tenant if the landlord has unreasonably withheld the right to sublet
18 following a written request by the tenant, so long as the tenant continues to reside in the rental
19 unit and the sublet constitutes a one-for-one replacement of the departing tenant(s). If the
20 landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the
21 tenant's written request, the tenant's request shall be deemed approved by the landlord.

22 (B) Provided further that where a rental agreement or lease provision
23 limits the number of occupants or limits or prohibits subletting or assignment, a landlord shall
24 not endeavor to recover possession of a rental unit as a result of the addition to the unit of a
25 tenant's child, parent, grandchild, grandparent, brother or sister, or the spouse or domestic

1 partner (as defined in Administrative Code Sections 62.1 through 62.8) of such relatives, or as
2 a result of the addition of the spouse or domestic partner of a tenant, so long as the maximum
3 number of occupants stated in Section 37.9(a)(2)(B)(i) and (ii) is not exceeded, if the landlord
4 has unreasonably refused a written request by the tenant to add such occupant(s) to the unit.
5 If the landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the
6 tenant's written request, the tenant's request shall be deemed approved by the landlord. A
7 landlord's reasonable refusal of the tenant's written request may not be based on the
8 proposed additional occupant's lack of creditworthiness, if that person will not be legally
9 obligated to pay some or all of the rent to the landlord. A landlord's reasonable refusal of the
10 tenant's written request may be based on, but is not limited to, the ground that the total
11 number of occupants in a unit exceeds (or with the proposed additional occupant(s) would
12 exceed) the lesser of (i) or (ii):

13 (i) Two persons in a studio unit, three persons in a one-
14 bedroom unit, four persons in a two-bedroom unit, six persons in a three-bedroom unit, or
15 eight persons in a four-bedroom unit; or

16 (ii) The maximum number permitted in the unit under
17 state law and/or other local codes such as the Building, Fire, Housing and Planning Codes; or

18 (3) The tenant is committing or permitting to exist a nuisance in, or is causing
19 substantial damage to, the rental unit, or is creating a substantial interference with the
20 comfort, safety or enjoyment of the landlord or tenants in the building, and the nature of such
21 nuisance, damage or interference is specifically stated by the landlord in writing as required
22 by Section 37.9(c); or

23 (4) The tenant is using or permitting a rental unit to be used for any illegal
24 purpose, provided however that a landlord shall not endeavor to recover possession of a rental unit
25

1 solely as a result of a first violation of Chapter 41A that has been cured within 30 days written notice to
2 the tenant; or

3 (5) The tenant, who had an oral or written agreement with the landlord which
4 has terminated, has refused after written request or demand by the landlord to execute a
5 written extension or renewal thereof for a further term of like duration and under such terms
6 which are materially the same as in the previous agreement; provided, that such terms do not
7 conflict with any of the provisions of this Chapter; or

8 (6) The tenant has, after written notice to cease, refused the landlord access
9 to the rental unit as required by State or local law; or

10 (7) The tenant holding at the end of the term of the oral or written agreement
11 is a subtenant not approved by the landlord; or

12 (8) The landlord seeks to recover possession in good faith, without ulterior
13 reasons and with honest intent:

14 (i) For the landlord's use or occupancy as his or her principal
15 residence for a period of at least 36 continuous months;

16 (ii) For the use or occupancy of the landlord's grandparents,
17 grandchildren, parents, children, brother or sister, or the landlord's spouse, or the spouses of
18 such relations, as their principal place of residency for a period of at least 36 months, in the
19 same building in which the landlord resides as his or her principal place of residency, or in a
20 building in which the landlord is simultaneously seeking possession of a rental unit under
21 Section 37.9(a)(8)(i). For purposes of this Section 37.9(a)(8)(ii), the term spouse shall include
22 domestic partners as defined in San Francisco Administrative Code Sections 62.1 through
23 62.8.

24 (iii) For purposes of this Section 37.9(a)(8) only, as to landlords who
25 become owners of record of the rental unit on or before February 21, 1991, the term "landlord"

1 shall be defined as an owner of record of at least 10 percent interest in the property or, for
2 Section 37.9(a)(8)(i) only, two individuals registered as domestic partners as defined in San
3 Francisco Administrative Code Sections 62.1 through 62.8 whose combined ownership of
4 record is at least 10 percent. For purposes of this Section 37.9(a)(8) only, as to landlords who
5 become owners of record of the rental unit after February 21, 1991, the term "landlord" shall
6 be defined as an owner of record of at least 25 percent interest in the property or, for Section
7 37.9(a)(8)(i) only, two individuals registered as domestic partners as defined in San Francisco
8 Administrative Code Sections 62.1 through 62.8 whose combined ownership of record is at
9 least 25 percent.

10 (iv) A landlord may not recover possession under this Section
11 37.9(a)(8) if a comparable unit owned by the landlord is already vacant and is available, or if
12 such a unit becomes vacant and available before the recovery of possession of the unit. If a
13 comparable unit does become vacant and available before the recovery of possession, the
14 landlord shall rescind the notice to vacate and dismiss any action filed to recover possession
15 of the premises. Provided further, if a noncomparable unit becomes available before the
16 recovery of possession, the landlord shall offer that unit to the tenant at a rent based on the
17 rent that the tenant is paying, with upward or downward adjustments allowed based upon the
18 condition, size, and other amenities of the replacement unit. Disputes concerning the initial
19 rent for the replacement unit shall be determined by the Rent Board. It shall be evidence of a
20 lack of good faith if a landlord times the service of the notice, or the filing of an action to
21 recover possession, so as to avoid moving into a comparable unit, or to avoid offering a
22 tenant a replacement unit.

23 (v) It shall be rebuttably presumed that the landlord has not acted in
24 good faith if the landlord or relative for whom the tenant was evicted does not move into the
25

1 rental unit within three months and occupy said unit as that person's principal residence for a
2 minimum of 36 continuous months.

3 (vi) Once a landlord has successfully recovered possession of a rental
4 unit pursuant to Section 37.9(a)(8)(i), then no other current or future landlords may recover
5 possession of any other rental unit in the building under Section 37.9(a)(8)(i). It is the intention
6 of this Section that only one specific unit per building may be used for such occupancy under
7 Section 37.9(a)(8)(i) and that once a unit is used for such occupancy, all future occupancies
8 under Section 37.9(a)(8)(i) must be of that same unit, provided that a landlord may file a
9 petition with the Rent Board, or at the landlord's option, commence eviction proceedings,
10 claiming that disability or other similar hardship prevents him or her from occupying a unit
11 which was previously occupied by the landlord.

12 (vii) If any provision or clause of this amendment to Section 37.9(a)(8)
13 or the application thereof to any person or circumstance is held to be unconstitutional or to be
14 otherwise invalid by any court of competent jurisdiction, such invalidity shall not affect other
15 chapter provisions, and clauses of this Chapter are held to be severable; or

16 (9) The landlord seeks to recover possession in good faith in order to sell the
17 unit in accordance with a condominium conversion approved under the San Francisco
18 subdivision ordinance and does so without ulterior reasons and with honest intent; or

19 (10) The landlord seeks to recover possession in good faith in order to
20 demolish or to otherwise permanently remove the rental unit from housing use and has
21 obtained all the necessary permits on or before the date upon which notice to vacate is given,
22 and does so without ulterior reasons and with honest intent; provided that a landlord who
23 seeks to recover possession under this Section 37.9(a)(10) shall pay relocation expenses as
24 provided in Section 37.9C except that a landlord who seeks to demolish an unreinforced
25 masonry building pursuant to Building Code Chapters 16B and 16C must provide the tenant

1 with the relocation assistance specified in Section 37.9A(f) below prior to the tenant's vacating
2 the premises; or

3 (11) The landlord seeks in good faith to remove temporarily the unit from
4 housing use in order to be able to carry out capital improvements or rehabilitation work and
5 has obtained all the necessary permits on or before the date upon which notice to vacate is
6 given, and does so without ulterior reasons and with honest intent. Any tenant who vacates
7 the unit under such circumstances shall have the right to reoccupy the unit at the prior rent
8 adjusted in accordance with the provisions of this Chapter. The tenant will vacate the unit only
9 for the minimum time required to do the work. On or before the date upon which notice to
10 vacate is given, the landlord shall advise the tenant in writing that the rehabilitation or capital
11 improvement plans are on file with the Central Permit Bureau of the Department of Building
12 Inspection and that arrangements for reviewing such plans can be made with the Central
13 Permit Bureau. In addition to the above, no landlord shall endeavor to recover possession of
14 any unit subject to a RAP loan as set forth in Section 37.2(m) of this Chapter except as
15 provided in Section 32.69 of the San Francisco Administrative Code. The tenant shall not be
16 required to vacate pursuant to this Section 37.9(a)(11), for a period in excess of three months;
17 provided, however, that such time period may be extended by the Board or its Administrative
18 Law Judges upon application by the landlord. The Board shall adopt rules and regulations to
19 implement the application procedure. Any landlord who seeks to recover possession under
20 this Section 37.9(a)(11) shall pay relocation expenses as provided in Section 37.9C; or

21 (12) The landlord seeks to recover possession in good faith in order to carry
22 out substantial rehabilitation, as defined in Section 37.2(s), and has obtained all the necessary
23 permits on or before the date upon which notice to vacate is given, and does so without
24 ulterior reasons and with honest intent. Notwithstanding the above, no landlord shall endeavor
25 to recover possession of any unit subject to a RAP loan as set forth in Section 37.2(m) of this

1 Chapter except as provided in Section 32.69 of the San Francisco Administrative Code; Any
2 landlord who seeks to recover possession under this Section 37.9(a)(12) shall pay relocation
3 expenses as provided in Section 37.9C; or

4 (13) The landlord wishes to withdraw from rent or lease all rental units within
5 any detached physical structure and, in addition, in the case of any detached physical
6 structure containing three or fewer rental units, any other rental units on the same lot, and
7 complies in full with Section 37.9A with respect to each such unit; provided, however, that
8 guestrooms or efficiency units within a residential hotel, as defined in Section 50519 of the
9 Health and Safety Code, may not be withdrawn from rent or lease if the residential hotel has a
10 permit of occupancy issued prior to January 1, 1990, and if the residential hotel did not send a
11 notice of intent to withdraw the units from rent or lease (Administrative Code Section 37.9A(f),
12 Government Code Section 7060.4(a)) that was delivered to the Rent Board prior to January 1,
13 2004; or

14 (14) The landlord seeks in good faith to temporarily recover possession of the
15 unit solely for the purpose of effecting lead remediation or abatement work, as required by
16 San Francisco Health Code Articles 11 or 26. The tenant will vacate the unit only for the
17 minimum time required to do the work. The relocation rights and remedies, established by
18 San Francisco Administrative Code Chapter 72, including but not limited to, the payment of
19 financial relocation assistance, shall apply to evictions under this Section 37.9(a)(14).

20 (15) The landlord seeks to recover possession in good faith in order to
21 demolish or to otherwise permanently remove the rental unit from housing use in accordance
22 with the terms of a development agreement entered into by the City under Chapter 56 of the
23 San Francisco Administrative Code.

24 (16) The tenant's Good Samaritan Status (Section 37.2(a)(1)(D)) has expired,
25 and the landlord exercises the right to recover possession by serving a notice of termination of

1 tenancy under this Section 37.9(a)(16) within 60 days after expiration of the Original and any
2 Extended Good Samaritan Status Period.

3 * * * *

4
5 **SEC. 41A.4. DEFINITIONS.**

6 Whenever used in this Chapter 41A, the following words and phrases shall have the definitions
7 provided in this Section:

8 **Business Entity.** A corporation, partnership, or other legal entity that is not a natural
9 person that owns or leases one or more residential units.

10 **Complaint.** A complaint submitted to the Department by an interested party alleging
11 a violation of this Chapter 41A and that includes the rResidential uUnit's address, including unit
12 number, date(s) and nature of alleged violation(s), and any available contact information for the
13 oOwner and/or resident of the rResidential uUnit at issue.

14 **Conversion or Convert.** A change of use from rResidential uUse to tTourist or
15 tTransient uUse, including, but not limited to, renting a rResidential uUnit as a tTourist or tTransient
16 uUse.

17 **Department.** The Planning Department.

18 **Director.** The Director of the Planning Department.

19 **Hosting Platform.** A person or entity that provides a means through which an oOwner
20 may offer a rResidential uUnit for tTourist or tTransient uUse. This service is usually, though not
21 necessarily, provided through an online platform and generally allows an oOwner to advertise the
22 rResidential uUnit through a website provided by the hHosting pPlatform and provides a means for
23 potential tourist or transient users to arrange tTourist or tTransient uUse and payment, whether the
24 tourist or transient pays rent directly to the oOwner or to the hHosting pPlatform.

1 Interested Party. A ~~p~~Permanent ~~r~~Resident of the building in which the ~~t~~Tourist or
2 ~~t~~Transient ~~u~~Use is alleged to occur, ~~o~~f ~~a~~ssociated with the building
3 Residential Unit in which the Tourist or Transient Use is alleged to occur, the Owner of the
4 Residential Unit in which the Tourist or Transient Use is alleged to occur, the City and County of
5 San Francisco, or any non-profit organization exempt from taxation pursuant to Title 26, Section 501
6 of the United States Code, which has the preservation or improvement of housing as a stated purpose in
7 its articles of incorporation or bylaws.

8 Owner. Owner includes any person who is the owner of record of the real property. As
9 used in this Chapter 41A, the term "Owner" includes a lessee where the lessee is offering a
10 ~~r~~Residential ~~u~~Unit for ~~t~~Tourist or ~~t~~Transient use.

11 Permanent Resident. A person who occupies a ~~r~~Residential ~~u~~Unit for at least 60
12 consecutive days with intent to establish that unit as his or her primary residence. A ~~p~~Permanent
13 ~~r~~Resident may be an owner or a lessee.

14 Primary Residence. The ~~p~~Permanent ~~r~~Resident's usual place of return for housing as
15 documented by at least two of the following: motor vehicle registration; driver's license; voter
16 registration; tax documents showing the Residential Unit as the Permanent Resident's
17 residence for the purposes of a home owner's tax exemption; or other such evidence a utility bill.
18 A person may have only one Primary Residence.

19 (a) ~~Residential Unit.~~ Room or rooms, including a condominium or a room or
20 dwelling unit that forms part of a tenancy-in-common arrangement, in any building, or portion
21 thereof, which is designed, built, rented, leased, let or hired out to be occupied for ~~r~~Residential
22 ~~u~~Use, ~~or which is occupied as the home or residence of four or more households living independently~~
23 ~~of each other in dwelling units as defined in the San Francisco Housing Code, provided that the~~
24 ~~residential unit was occupied by a permanent resident on or after February 8, 1981. It is presumed that~~

1 ~~a residential unit was occupied by a permanent resident on or after February 8, 1981, and the owner~~
2 ~~has the burden of proof to show that a residential unit is not subject to this Chapter.~~

3 (b) ~~Residential Use.~~ Any use for occupancy of a ~~dwelling~~ Residential uUnit by a
4 Permanent rResident.

5 Short-Term Residential Rental. A tTourist or tTransient uUse where all of the
6 following conditions are met:

7 (a) the rResidential uUnit is offered for tTourist or tTransient uUse by the
8 Permanent rResident of the rResidential uUnit;

9 (b) the pPermanent rResident is a natural person;

10 (c) the pPermanent rResident has registered the Residential Uunit and maintains
11 good standing on the Department's Short-Term Residential Rental Registry; and

12 (d) the rResidential uUnit; is not subject to the Inclusionary Affordable Housing
13 Program set forth in Planning Code Section 415 et seq.; is not a residential hotel unit as defined in
14 subject to the provisions of Chapter 41, unless such unit has been issued a Permit to Convert
15 under Section 41.12; is not otherwise a designated as a below market rate or income-
16 restricted Residential Unit under City, state, or federal law; and no other requirement of federal or
17 state law, this Municipal Code, or any other application applicable law or regulation prohibits the
18 permanent resident from subleasing, renting, or otherwise allowing Short-Term Residential Rental of
19 the rResidential uUnit.

20 Short-Term Residential Rental Registry or Registry. A database of information
21 maintained by the Department that includes information regarding pPermanent rResidents who are
22 permitted to offer rResidential uUnits for Short-Term Residential Rental. Only one Permanent
23 Resident per Residential Unit may be included on the Registry at any given time. The rRegistry
24 shall be available for public review to the extent required by law, except that, to the extent permitted by

1 law, the Department shall redact any pPermanent rResident names from the records available for
2 public review.

3 (e) — **Tourist or Transient Use.** Any Uuse of a rResidential uUnit for occupancy for
4 less than a 30-day term of tenancy, or occupancy for less than 30 days of a rResidential uUnit
5 leased or owned by a bBusiness eEntity, whether on a short-term or long-term basis,
6 including any occupancy by employees or guests of a bBusiness eEntity for less than 30 days
7 where payment for the rResidential uUnit is contracted for or paid by the bBusiness eEntity.

8 (d) — Permanent Resident. A person who occupies a residential unit for at least 60
9 consecutive days with intent to establish that unit as his or her principal place of residence.

10 (e) — Conversion or Convert. The change of the use or to rent a residential unit from
11 residential use to tourist or transient use.

12 (f) — Owner. Owner includes any person who is the owner of record of the real property.
13 Owner includes a lessee where an interested party alleges that a lessee is offering a residential unit for
14 tourist or transient use.

15 (g) — Interested Party. A permanent resident of the building in which the tourist or transient
16 use is alleged to occur, the City and County of San Francisco, or any non-profit organization exempt
17 from taxation pursuant to Title 26, Section 501 of the United States Code, which has the preservation
18 or improvement of housing as a stated purpose in its articles of incorporation or bylaws.

19 (h) — Director. The Director of the Department of Building Inspection.

20
21 **SEC. 41A.5. UNLAWFUL CONVERSION; REMEDIES.**

22 (a) **Unlawful Actions.** Except as set forth in subsection 41A.5(g), iIt shall be unlawful
23 for

24 (1) any Oowner to offer an aapartment Rresidential Uunit for rent for Ttourist or
25 Ttransient Uuse;

1 (2) any Owner to offer a Residential Unit for rent to a Business Entity
2 that will allow the use of a Residential Unit for Tourist or Transient Use; or

3 (3) any Business Entity to allow the use of a Residential Unit for Tourist
4 or Transient Use.

5 (b) **Records Required.** The Owner and Business Entity, *if any*, shall retain and
6 make available to the Department ~~or Building Inspection occupancy~~ records to demonstrate
7 compliance with this Chapter 41A upon written request as provided herein. Any Permanent Resident
8 offering his or her Primary Residence as a Short-Term Residential Rental shall retain and make
9 available to the Department records to demonstrate compliance with this Chapter 41A, including but
10 not limited to records demonstrating Primary Residency, and the number of days per calendar year he
11 or she has occupied the Residential Unit, and the number of days per calendar year, with dates
12 and the duration of each stay, the Residential Unit has been rented for Short-Term Residential
13 Rental Use.

14 (c) **Determination of Violation.** Upon the filing of a written Complaint that an
15 Owner or Business Entity has engaged in an alleged unlawful eConversion has occurred or
16 that a Hosting Platform is not complying with the requirements of subsection (g)(54)(A), the
17 Director shall take reasonable steps necessary to determine the validity of the Complaint.
18 The Director may independently determine whether an Owner or Business Entity may be
19 renting a Residential Unit for Tourist or Transient Use *as defined* in violation of this Chapter
20 41A or whether a Hosting Platform has failed to comply with the requirements of subsection
21 (g)(54)(A). To determine if there is a violation of this Chapter 41A, the Director may initiate an
22 investigation of the subject property or Hosting Platform's allegedly unlawful activities. This
23 investigation may include, but is not limited to, an inspection of the subject property and/or a
24 request for any pertinent information from the Owner, ~~or Business Entity~~, or Hosting Platform,
25 such as leases, business records, or other documents. The Director shall have discretion to

1 determine whether there is a potential violation of this Chapter 41A and whether to conduct an
2 administrative review hearing as set forth below. Notwithstanding any other provision of this
3 Chapter 41A, any alleged violation related to failure to comply with the requirements of the
4 Business and Tax Regulations Code shall be enforced by the Treasurer/Tax Collector under
5 the provisions of that Code.

6 (d) **Civil Action.** Following the filing of a Ceomplaint and the determination of a
7 violation by the Director through an administrative review hearing as set forth in this Chapter
8 41A, ~~the City and County of San Francisco~~ may institute civil proceedings for injunctive and
9 monetary relief against a Hosting Platform for violation of subsection (g)(4)(A) or the City or
10 any other interested pParty may institute civil proceedings for injunctive and monetary relief
11 against an Owner or Business Entity. In addition, ~~the~~ an Owner, or, ~~or~~ Bbusiness Entity in
12 violation of this Chapter or a Hosting Platform in violation of subsection (g)(4)(A) may be liable
13 for civil penalties of not more than \$1,000 per day for the period of the unlawful rental activity. If
14 the City or the interested pParty is the prevailing party, the City or the interested pParty shall
15 be entitled to the costs of enforcing this Chapter 41A, including reasonable attorneys' fees, ~~up~~
16 ~~to the amount of the monetary award,~~ pursuant to an order of the Court. Any monetary award
17 obtained by the City and County of San Francisco in such a civil action shall be deposited in
18 the Mayor's Office of Housing, ~~Housing Affordability Fund less the reasonable costs incurred~~
19 ~~by the City and County of San Francisco in pursuing the civil action~~ Department to be used for
20 enforcement of Chapter 41A. The Department, through the use of these funds, shall
21 reimburse City departments and agencies, including the City Attorney's Office, for all costs
22 and fees incurred in the enforcement of this Chapter 41A.

23 (e) **Criminal Penalties.** Any Owner or Bbusiness Entity who rents a Residential
24 Unit for Tourist or Transient Use ~~as defined in~~ violation of this Chapter 41A without correcting
25 or remedying the violation as provided for in subsection 41A.6(b)(7) shall be guilty of a

1 misdemeanor. Any person convicted of a misdemeanor hereunder shall be punishable by a
2 fine of not more than \$1,000 or by imprisonment in the County Jail for a period of not more
3 than six months, or by both. Each ~~R~~esidential ~~U~~nit rented for ~~T~~ourist or ~~T~~ransient ~~U~~se
4 shall constitute a separate offense.

5 (f) **Method of Enforcement, Director.** The Director shall have the authority to
6 enforce this Chapter against violations thereof by any or all of the means provided for in this
7 Chapter 41A.

8 (g) Exception for Short-Term Residential Rental.

9 (1) Notwithstanding the restrictions set forth in this Section 41A.5, a Permanent
10 Resident may offer his or her Primary Residence as a Short-Term Residential Rental if he or she:

11 (A) occupies the Residential Unit is occupied by the Permanent
12 Resident occupies the Residential Unit for no less than 275 days out of the preceding per out of
13 any given the calendar year in which the Residential Unit is rented as a Short-Term Residential
14 Rental or, proportional share thereof if he or she if the Permanent Resident has not rented or
15 owned the Residential Unit for the full preceding calendar year, for no less than 75% of the
16 days he or she has owned or rented the Residential Unit;

17 (B) The Permanent Resident maintains records for two years
18 demonstrating compliance with this Chapter, including but not limited to information demonstrating
19 Primary Residency, the number of days per calendar year he or she has occupied the Residential Unit,
20 the number of days per calendar year the Residential Unit has been rented as a Short-Term
21 Residential Rental, and compliance with the insurance requirement in Subsection (D). These records
22 shall be made available to the Department upon request;

23 (C) The Permanent Resident complies with any and all applicable
24 provisions of state and federal law and the San Francisco Municipal Code, including but not limited to
25 the requirements of the Business and Tax Regulations Code by, among any other applicable

1 requirements, collecting and remitting all required transient occupancy taxes, and the occupancy
2 requirements of the Housing Code;

3 (D) The Permanent Resident maintains homeowner's or renter's
4 property or casualty liability insurance appropriate to cover the Short-Term Residential Rental
5 Use in the aggregate of not less than \$150,000 \$500,000 or conducts each Short-Term Residential
6 Rental transaction through a Hosting Platform that provides a guarantee program relating to
7 property damage in an amount not less than \$150,000 to owners per incident equal or greater
8 coverage. Such coverage shall defend and indemnify the Owner(s), as named additional
9 insured, and any tenant(s) in the building for their bodily injury and property damage arising
10 from the Short-Term Residential Use;

11 (E) registers, and maintains registry of, the The Residential Unit is
12 registered on the Short-Term Residential Rental Registry prior to offering the Residential Unit for
13 use as a Short-Term Residential Rental. Offering a Residential Unit for Short-Term
14 Residential Rental while not maintaining good standing on the registry shall constitute a
15 violation of this Chapter 41A; and

16 (F) includes the Permanent Resident includes the Department-issued
17 registration number is included on any Hosting Platform listing or other listing offering the
18 Residential Unit for use as a Short-Term Residential Rental;

19 (G) For units subject to the rent control provisions of Section 37.3, the
20 Permanent Resident complies with the initial rent limitation for subtenants and charges no more rent
21 than the rent the primary Permanent Resident is paying to any landlord per month; and

22 (H) The Permanent Resident can demonstrate to the satisfaction of the
23 Department that the Residential Unit and the property on which it is located is not subject to any
24 outstanding Building, Electrical, Plumbing, Mechanical, Fire, Health, Housing, Police, or Planning
25 Code enforcement, including any notices of violation, notices to cure, orders of abatement, cease and

1 desist orders, or correction notices. The Department shall not include a property that is subject to any
2 such outstanding violations in the Registry. If such a violation occurs once a Residential Unit has
3 been included in the Registry, the Department shall suspend the Residential Unit's registration
4 and registration number until the violation has been cured.

5 (2) Additional Requirements.

6 (A) Offering a Residential Unit for Short-Term Residential Rental,
7 including but not limited to advertising the Residential Unit's availability, while not maintaining
8 good standing on the Registry shall constitute an unlawful conversion in violation of this
9 Chapter 41A and shall subject the person or entity offering the unit in such a manner to the
10 administrative penalties and enforcement procedures, including civil penalties, of this Chapter.

11 (B) Only one Permanent Resident may be associated with a
12 Residential Unit on the Registry, and it shall be unlawful for any other person, even if that
13 person meets the qualifications of a "Permanent Resident", to offer a Residential Unit for
14 Short-Term Residential Rental.

15 (C) A Permanent Resident offering a Residential Unit for Short-Term
16 Residential Rental shall maintain a valid business registration certificate.

17 (D) A Permanent Resident offering a Residential Unit for Short-Term
18 Residential Rental shall post a clearly printed sign inside his or her Residential Unit on the
19 inside of the front door that provides information regarding the location of all fire extinguishers
20 in the unit and building, gas shut off valves, fire exits, and pull fire alarms.

21 (23) Short-Term Residential Rental Registry Applications, and Fee, and Reporting
22 Requirement.

23 (A) Application. Registration shall be for a two-year term, which may be
24 renewed by the Permanent Resident by filing a completed renewal application. Initial and renewal
25 applications shall be in a form prescribed by the Department. The Department shall determine, in its

1 sole discretion, the completeness of an application. Upon receipt of a complete initial application,
2 the Department shall send mailed notice to the owner of record of the Residential Unit,
3 informing the owner that an application to the Registry for the unit has been received. If the
4 Residential Unit is in a RH-1(D) zoning district, the Department shall also send mailed notice
5 to any directly associated homeowner association that has previously requested such notice.

6 Both the initial application and any renewal application shall contain information sufficient to
7 show that the Residential Unit is the Primary Residence of the applicant, and that the applicant is the
8 unit's Permanent Resident, and that the applicant has the required insurance coverage and
9 business registration certificate. In addition to the information set forth here, the Department may
10 require any other additional information necessary to show the Permanent Resident's compliance with
11 this Chapter 41A. Primary Residency may shall be established by showing the Residential Unit is
12 listed as the applicant's residence on at least two of the following: any motor vehicle registration;
13 driver's license; or voter registration; or tax documents showing the Residential Unit as the
14 Permanent Resident's Primary Residence for home owner's tax exemption purposes, and; or any
15 other information as required by the Department utility bill. A renewal application shall contain
16 sufficient information to show that the applicant is the Permanent Resident and has occupied the unit
17 for at least 275 days of each of the two preceding calendar years. Upon the Department's
18 determination that an application is complete, the unit shall be entered into the Short-Term Residential
19 Rental Registry and assigned an individual registration number.

20 (B) Fee. The fee for the initial application and for each renewal shall be
21 \$50, payable to the Director. The application fee shall be due at the time of application. Beginning with
22 fiscal year 2014-2015, fees set forth in this Section may be adjusted each year, without further action
23 by the Board of Supervisors, as set forth in this Section. Not later than April 1 Within six months of
24 the effective operative date of this ordinance and after holding a duly noticed informational
25 hearing at the Planning Commission, the Director shall report to the Controller the revenues

1 generated by the fees for the prior fiscal year and the prior fiscal year's costs of establishing and
2 maintaining the registry and enforcing the requirements of this Chapter 41A, as well as any other
3 information that the Controller determines appropriate to the performance of the duties set forth in this
4 Chapter. After the hearing by the Planning Commission, but ~~Not later than May 15~~ August 1,
5 2015, the Controller shall determine whether the current fees have produced or are projected to
6 produce revenues sufficient to support the costs of establishing and maintaining the registry, enforcing
7 the requirements of this Chapter 41A and any other services set forth in this Chapter and that the
8 fees will not produce revenue that is significantly more than the costs of providing such services. The
9 Controller shall, if necessary, adjust the fees upward or downward for the upcoming fiscal year as
10 appropriate to ensure that the program recovers the costs of operation without producing revenue that
11 is significantly more than such costs. The adjusted rates shall become operative on July 1.

12 (C) Reporting Requirement. To maintain good standing on the
13 Registry, the Permanent Resident shall submit a report to the Department on January 1 of
14 each year regarding the number of days the Residential Unit or any portion thereof has been
15 rented as a Short-Term Residential Rental since either initial registration or the last report,
16 whichever is more recent, and any additional information the Department may require to
17 demonstrate compliance with this Chapter 41A.

18 (454) Requirements for Hosting Platforms.

19 (A) Notice to Users of Hosting Platform. All Hosting Platforms shall provide
20 the following information in a notice to any user listing a Residential Unit located within the City and
21 County of San Francisco through the Hosting Platform's service. The notice shall be provided prior to
22 the user listing the Residential Unit and shall include the following information: that Administrative
23 Code Chapters 37 and 41A regulate Short-Term Rental of Residential Units; the requirements for
24 Permanent Residency and registration of the unit with the Department; and the transient occupancy tax
25 obligations to the City.

1 (B) A Hosting Platform shall comply with the requirements of the Business
2 and Tax Regulations Code by, among any other applicable requirements, collecting and remitting all
3 required Transient Occupancy Taxes, and this provision shall not relieve a Hosting Platform of liability
4 related to an occupant's, resident's, Business Entity's, or Owner's failure to comply with the
5 requirements of the Business and Tax Regulations Code. A Hosting Platform shall maintain a record
6 demonstrating that the taxes have been remitted to the Tax Collector and shall make this
7 record available to the Department Tax Collector upon request. Additionally, a Hosting
8 Platform's failure to provide the required notice to users under subsection 41A.5(g)(4)(A) shall
9 be a violation of this Chapter.

10 (C) Any such violation of a Hosting Platform's responsibilities under this
11 subsection (g)(5)(A) shall subject the Hosting Platform to the administrative penalties and
12 enforcement provisions of this Chapter, including but not limited to payment of civil penalties a
13 fine payable to the Department of up to \$1,000 per day for the period of the failure to
14 comply provide notice or the failure to provide the required information to the Department, with
15 the exception that any violation related to failure to comply with the requirements of the
16 Business and Tax Regulations Code shall be enforced by the Treasurer/Tax Collector under
17 that Code.

18 (565) The exception set forth in this subsection (g) provides an exception only to the
19 requirements of this Chapter 41A. It does not confer a right to lease, sublease, or otherwise offer a
20 residential unit for Short-Term Residential Use where such use is not otherwise allowed by law, a
21 homeowners association agreement or requirements, any applicable covenant, condition, and
22 restriction, a rental agreement, or any other restriction, requirement, or enforceable agreement. All
23 Owners and residents are required to comply with the requirements of Administrative Code Chapter
24 37, the Residential Rent Stabilization and Arbitration Ordinance, including but not limited to the
25 requirements of Section 37.3(c).

1 ~~(676)~~ Department Contact Person. The Department shall designate a contact person
2 for members of the public who wish to file Complaints under this Chapter or who otherwise seek
3 information regarding this Chapter or Short-Term Residential Rentals. This contact person shall also
4 provide information to the public upon request regarding quality of life issues, including for example
5 noise violations, vandalism, or illegal dumping, and shall direct the member of the public and/or
6 forward any such Complaints to the appropriate City department.

7 ~~(787)~~ Notwithstanding any other provision of this Chapter, nothing in this Chapter
8 shall relieve an individual, Business Entity, or Hosting Platform of the obligations imposed by any and
9 all applicable provisions of state law and the San Francisco Municipal Code including but not limited
10 to those obligations imposed by the Business and Tax Regulations Code. Further, nothing in this
11 Chapter shall be construed to limit any remedies available under any and all applicable provisions of
12 state law and the San Francisco Municipal Code including but not limited to the Business and Tax
13 Regulations Code.

14 ~~(98)~~ Annual Department Reporting Requirement. Within one year of the
15 effective date of this ordinance and annually thereafter, the Department shall provide a report
16 to the Board of Supervisors regarding the Department's administration and enforcement of the
17 Short-Term Residential Rental program. The study shall make recommendations regarding
18 proposed amendments to this Chapter 41A necessary to reduce any adverse effects of the
19 Short-Term Residential Rental program.

20 **SEC. 41A.6. PROCEDURES FOR DETERMINING ADMINISTRATIVE PENALTIES.**

21 (a) **Notice of Complaint.** Within 4530 days of the filing of a Ccomplaint and upon
22 the Director's independent finding that there may be a violation of this Chapter, the Director
23 shall notify the Oowner by certified mail that the Oowner's Rresidential Uunit is the subject of
24 an investigation for an unlawful use and provide the date, time, and place of an administrative
25 review hearing in which the eOwner can respond to the Ccomplaint. If the Director finds there

1 is no violation of this Chapter or basis for an investigation for an unlawful activity, the Director
2 shall so inform the complainant within 30 days of the filing of the Complaint. If the Complaint
3 concerns the failure of a Hosting Platform to comply with the requirements of subsection
4 (g)(54)(A), within 1530 days of the filing of the Complaint and upon the Director's independent
5 finding that there may be a violation of this Chapter, the Director shall notify the Hosting
6 Platform by certified mail that the Hosting Platform is the subject of an investigation for failure
7 to comply with the requirements of this Chapter that subsection and provide the date, time,
8 and place of an administrative review hearing in which the Hosting Platform can respond to
9 the Complaint.

10 (b) **Administrative Review Hearings.** In the event the Director determines that an
11 administrative review hearing shall be conducted, the Director's appointed hearing officer will
12 hold an administrative review hearing within ~~60~~45 days of the filing of the ~~Complaint~~
13 Director's finding that there may be a violation of this Chapter 41A to review all information
14 provided by the Interested Party, members of the public, City staff, and the Owner or Hosting
15 Platform for the investigation and the hearing officer shall thereafter make a determination
16 whether the Owner or Hosting Platform has violated this Chapter.

17 (1) For hearings regarding alleged unlawful conversions, ~~N~~notice of the
18 hearing shall be conspicuously posted on the building that is the subject of the hearing. The
19 ~~Owner shall state under oath at the hearing that the notice remained posted for at least~~
20 ~~seven calendar days prior the hearing.~~ The Director shall appoint a hearing officer to conduct
21 the hearing.

22 (2) Pre-hearing Submission. No less than ten working days prior to the
23 administrative review hearing, parties to the hearing shall submit written information to the
24 Director including, but not limited to, the issues to be determined by the hearing officer and
25

1 the evidence to be offered at the hearing. Such information shall be forwarded to the hearing
2 officer prior to the hearing along with any information compiled by the Director.

3 (3) Hearing Procedure. If more than one hearing is requested for Residential
4 Units located in the same building at or about the same time, the Director shall consolidate
5 all of the hearings into one hearing. The hearing shall be ~~tape~~ recorded. Any party to the
6 hearing may at his or her own expense cause the hearing to be recorded by a certified court
7 reporter. Parties may be represented by counsel and shall have the right to cross-examine
8 witnesses. All testimony shall be given under oath. Written decisions and findings shall be
9 rendered by the hearing officer within ~~20~~30 ~~working~~ days of the hearing. Copies of the findings
10 and decision shall be served upon the parties by certified mail. A notice that a copy of the
11 findings and decision is available for inspection between the hours of 9:00 a.m. and 5:00 p.m.
12 Monday through Friday shall be posted by the Owner or the Director in the building in the
13 same location in which the notice of the administrative review hearing was posted.

14 (4) Failure to Appear. In the event the Owner, authorized Hosting Platform
15 representative, or an interested party fails to appear at the hearing, the hearing officer may
16 nevertheless make a determination based on the evidence in the record and files at the time
17 of the hearing, and issue a written decision and findings.

18 (5) Finality of the Hearing Officer's Decision and Judicial Review. The
19 decision of the hearing officer shall be final. Within 20 days after service of the hearing
20 officer's decision, any party may seek judicial review of the hearing officer's decision.

21 (6) Hearing Officer Decision and Collection of Penalties. ~~If any imposed~~
22 ~~administrative penalties and costs have not been deposited at the time of the Hearing~~
23 ~~Officer's decision~~Upon the Hearing Officer's decision, the Director may proceed to collect the
24 penalties and costs pursuant to the lien procedures set forth in Subsection 41A.6(ed),
25 consistent with the Hearing Officer's decision.

1 (7) Remedy of Violation. If the Hearing Officer determines that a violation has
2 occurred, the Hearing Officer's Decision ~~should~~shall:

3 (A) Specify a reasonable period of time during which the Owner,
4 Business Entity, or Hosting Platform must correct or otherwise remedy the violation; ~~and~~

5 (B) ~~State that if the violation is not corrected or otherwise remedied~~
6 ~~within this period,~~Detail the amount of any administrative penalties the Owner or Hosting
7 Platform shall be ~~may be~~ required to pay the administrative penalties as set forth in Subsection
8 41A.6(c); ~~and,~~

9 (C) For violations by Owners, State that if the violation is not corrected
10 or otherwise remedied within this period, the Department shall remove or prohibit the registration
11 of the Residential Unit from the Short-Term Residential Registry for one year even if the
12 Residential Unit otherwise meets the requirements for Short-Term Residential Rental ~~and may~~
13 ~~prohibit the offending Owner from including such Residential Unit on any Hosting Platform for~~
14 ~~a period of one year.~~

15 (8) If the Hearing Officer determines that no violation has occurred, the
16 determination is final.

17 (c) **Imposition of *Administrative Penalties* for Unabated Violations and**
18 **Enforcement Costs.**

19 (1) Administrative Penalties. If the violation ~~has continued unabated beyond~~
20 ~~the time specified in the notice required by the Hearing Officer~~ determines that a violation has
21 occurred, an administrative penalty ~~of~~ shall be assessed as follows:

22 (A) for the initial violation, not more than four times the standard hourly
23 administrative rate of ~~\$104.00~~121.00 ~~shall be charged~~ for each unlawfully converted unit, or for
24 each identified failure of a Hosting Platform to comply with the requirements of subsection

1 ~~(g)(54), per day from the day the unlawful use activity commenced notice of Complaint until~~
2 such time as the unlawful use activity terminates;

3 ~~(B) for the second violation within six months of any hearing held~~
4 ~~pursuant to this Chapter by the same Owner(s), Business Entity, or Hosting Platform, not more~~
5 ~~than eight times the standard hourly administrative rate of \$121.00 for each unlawfully converted unit,~~
6 ~~or for each identified failure of a Hosting Platform to comply with the requirements of~~
7 ~~subsection (g)(54), per day from the day the unlawful use activity commenced until such time as the~~
8 ~~unlawful use activity terminates; and~~

9 ~~(C) for the third and any subsequent violation within 12 months of any~~
10 ~~hearing held pursuant to this Chapter by the same Owner(s), Business Entity, or Hosting~~
11 ~~Platform, not more than twelve times the standard hourly administrative rate of \$121.00 for each~~
12 ~~unlawfully converted unit or for each identified failure of a Hosting Platform to comply with the~~
13 ~~requirements of subsection (g)(54) per day from the day the unlawful use activity commenced~~
14 ~~until such time as the unlawful use activity terminates.~~

15 (2) ~~Enforcement Costs. The Owner or Hosting Platform shall reimburse the~~
16 ~~City for the costs of enforcement of this Chapter, which shall include, but not be limited to,~~
17 ~~reasonable attorneys' fees.~~

18 ~~(3) Prohibition on Registration and Listing Unit(s) on Any Hosting Platform. If the~~
19 ~~violation has continued unabated beyond the time specified in the notice required by the~~
20 ~~Hearing Officer, in the event of multiple violations, the Department shall remove the Residential~~
21 ~~Unit(s) from the Registry for one year and include the Residential Unit(s) on a list maintained by~~
22 ~~the Department of Residential Units that may not be listed by any Permanent Resident on any~~
23 ~~Hosting Platform until compliance. Any Owner or Business Entity who continues to list a Residential~~
24 ~~Unit in violation of this section shall be liable for additional administrative penalties and civil~~
25 ~~penalties of up to \$1,000 per day of unlawful inclusion.~~

1 (d) **Notice of Continuing Violation and Imposition of Penalties.** The Director shall
2 notify the Owner or Hosting Platform by certified mail that of the violation has continued
3 unabated and that administrative penalties shall be imposed pursuant to this Chapter 41A.
4 The notice shall state the time of the continued existence of the violation and the resulting
5 imposition of penalties. Payment of the administrative penalties and enforcement costs shall
6 be made within 30 days of the certified mailed notice to the Owner or Hosting Platform. If the
7 administrative penalties and enforcement costs are not paid, the Director shall refer the matter
8 to the Treasurer/Tax Collector and/or initiate lien procedures to secure the amount of the
9 penalties and costs against the real property that is subject to this Chapter, under Article XX
10 of Chapter 10 of the *San Francisco* Administrative Code to make the penalty, plus accrued
11 interest, a lien against the real property regulated under this Chapter. Except for the release of
12 the lien recording fee authorized by Administrative Code Section 10.237, all sums collected by
13 the Tax Collector pursuant to this ordinance shall be held in trust by the Treasurer and
14 distributed as provided in Section 41A.5(d) of this Chapter deposited as set forth in subsection
15 (e) below.

16 (e) **Deposit of Penalties.** ~~Administrative penalties paid pursuant to this Chapter~~
17 ~~shall be deposited in the Mayor's Office of Housing, Housing Affordability Fund less the~~
18 ~~reasonable costs incurred by the City and County of San Francisco in pursuing enforcement~~
19 ~~under this Chapter 41A. If enforcement costs were imposed, such funds shall be distributed~~
20 ~~according to the purpose for which they were collected. Any fees and penalties collected~~
21 ~~pursuant to this Chapter 41A shall be deposited in the Department, which shall reimburse City~~
22 ~~departments and agencies, including the City Attorney's Office, for all costs and fees incurred~~
23 ~~in the enforcement of this Chapter 41A.~~

1 Section 3. The Planning Code is hereby amended by revising Sections 102.7, 102.13,
2 790.88 and 890.88, to read as follows:

3
4 **SEC. 102.7. DWELLING UNIT.**

5 A room or suite of two or more rooms that is designed for, or is occupied by, one family
6 doing its own cooking therein and having only one kitchen. A housekeeping room as defined
7 in the Housing Code shall be a dwelling unit for purposes of this Code. For the purposes of
8 this Code, a live/work unit, as defined in Section 102.13 of this Code, shall not be considered
9 a dwelling unit. Notwithstanding the foregoing, use of a dwelling unit as a Short-Term Residential
10 Rental in compliance with Administrative Code Section 41A.5 shall not alter the use type as a
11 residential use.

12 * * * *

13
14 **SEC. 102.13. LIVE/WORK UNIT.**

15 A live/work unit is a structure or portion of a structure combining a residential living
16 space for a group of persons including not more than four adults in the same unit with an
17 integrated work space principally used by one or more of the residents of that unit; provided,
18 however, that no otherwise qualifying portion of a structure which contains a Group A
19 occupancy under the San Francisco Building Code shall be considered a live/work unit.
20 Notwithstanding the foregoing, use of a live/work unit as a Short-Term Residential Rental in
21 compliance with Administrative Code Section 41A.5 shall not alter the use type as a live/work unit.

22 * * * *

23
24 **SEC. 790.88. RESIDENTIAL USE.**

1 A use which provides housing for San Francisco residents, rather than visitors,
2 including a dwelling unit or group housing, as defined in Subsections (a) and (b) below, or a
3 residential hotel, as defined in Section 790.47 of this Code and in Chapter 41 of the San
4 Francisco Administrative Code. Notwithstanding the foregoing, use of a dwelling unit as a Short-
5 Term Residential Rental in compliance with Administrative Code Section 41A.5 shall not alter the use
6 type as a residential use.

7 (a) Dwelling Unit. A residential use which consists of a suite of two or more rooms
8 and includes sleeping, bathing, cooking, and eating facilities, but has only one kitchen.

9 (b) Group Housing. A residential use which provides lodging or both meals and
10 lodging without individual cooking facilities for a week or more at a time in a space not defined
11 as a dwelling unit. Group housing includes, but is not limited to, a rooming house, boarding
12 house, guest house, lodging house, residence club, commune, fraternity and sorority house,
13 monastery, nunnery, convent, and ashram. It also includes group housing operated by a
14 medical or educational institution when not located on the same lot as such institution.

15 * * * *

16
17 **SEC. 890.88. RESIDENTIAL USE.**

18 A use which provides housing for San Francisco residents, rather than visitors,
19 including a dwelling unit or group housing, as defined in Subsections (a) and (b) below, or a
20 residential hotel, as defined in Section 890.47 of this Code and in Chapter 41 of the San
21 Francisco Administrative Code. Notwithstanding the foregoing, use of a dwelling unit as a Short-
22 Term Residential Rental in compliance with Administrative Code Section 41A.5 shall not alter the use
23 type as a residential use.

24 (a) Dwelling Unit. A residential use which consists of a suite of two or more rooms
25 and includes sleeping, bathing, cooking, and eating facilities, and has only one kitchen.

1 (b) Group Housing. A residential use which provides lodging or both meals and
2 lodging without individual cooking facilities for a week or more at a time in a space not defined
3 as a dwelling unit. Group housing includes, but is not limited to, a roominghouse, boarding
4 house, guest house, lodging house, residence club, commune, fraternity and sorority house,
5 monastery, nunnery, convent, and ashram. It also includes group housing operated by a
6 medical or educational institution when not located on the same lot as such institution.

7 (c) Single Room Occupancy (SRO) Unit. A dwelling unit or group housing room
8 consisting of no more than one occupied room with a maximum gross floor area of 350 square
9 feet and meeting the Housing Code's minimum floor area standards. The unit may have a
10 bathroom in addition to the occupied room. As a dwelling unit, it would have a cooking facility
11 and bathroom. As a group housing room, it would share a kitchen with one or more other
12 single room occupancy unit/s in the same building and may also share a bathroom. A single
13 room occupancy building (or "SRO" building) is one that contains only SRO units and non
14 nonaccessory living space.

15
16 Section 4. Other Uncodified Provisions.

17 (a) Effective Date. This ordinance shall become effective 30 days after enactment.
18 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance
19 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of
20 Supervisors overrides the Mayor's veto of the ordinance.

21 (b) Operative Date. This ordinance shall become operative on February 1, 2015.

22 (c) Undertaking for the General Welfare. In enacting and implementing this
23 ordinance, the City is assuming an undertaking only to promote the general welfare. It is not
24 assuming, nor is it imposing on its officers and employees, an obligation for breach of which it
25

1 would be liable in money damages to any person who claims that such breach proximately
2 caused injury.

3 (ed) No Conflict with State or Federal Law. Nothing in this ordinance shall be
4 interpreted or applied so as to create any requirement, power, or duty in conflict with any
5 State or federal law.

6 (de) Severability. If any of section, subsection, sentence, clause, phrase or word of
7 this ordinance is for any reason held to be invalid or unconstitutional by a decision of any
8 court of competent jurisdiction, such decision shall not affect the validity of the remaining
9 portions of the ordinance. The Board of Supervisors hereby declares that it would have
10 passed this ordinance and each and every section, subsection, sentence, clause, phrase, and
11 word not declared invalid or unconstitutional without regard to whether any other portion of
12 this ordinance would be subsequently declared invalid or unconstitutional.

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

19
20 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

21 By:  For
22 MARLENA G. BYRNE
23 Deputy City Attorney

24 n:\egana\as2014\1200498\00963400.doc



City and County of San Francisco
Tails
Ordinance

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

File Number: 140381

Date Passed: October 21, 2014

Ordinance amending the Administrative Code to provide an exception for permanent residents to the prohibition on short-term residential rentals under certain conditions; to create procedures, including a registry administered by the Planning Department, for tracking short-term residential rentals and compliance; to establish an application fee for the registry; amending the Planning Code to clarify that short-term residential rentals shall not change a unit's type as residential; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

September 15, 2014 Land Use and Economic Development Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

September 15, 2014 Land Use and Economic Development Committee - CONTINUED AS AMENDED

September 29, 2014 Land Use and Economic Development Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

September 29, 2014 Land Use and Economic Development Committee - RECOMMENDED AS AMENDED

October 07, 2014 Board of Supervisors - AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

October 07, 2014 Board of Supervisors - AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

October 07, 2014 Board of Supervisors - AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

October 07, 2014 Board of Supervisors - AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

October 07, 2014 Board of Supervisors - NOT AMENDED

Ayes: 5 - Avalos, Campos, Kim, Mar and Yee
Noes: 6 - Breed, Chiu, Cohen, Farrell, Tang and Wiener

October 07, 2014 Board of Supervisors - AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

October 07, 2014 Board of Supervisors - AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

October 07, 2014 Board of Supervisors - NOT AMENDED

Ayes: 5 - Avalos, Campos, Kim, Mar and Yee
Noes: 6 - Breed, Chiu, Cohen, Farrell, Tang and Wiener

October 07, 2014 Board of Supervisors - PASSED ON FIRST READING AS AMENDED

Ayes: 7 - Breed, Chiu, Cohen, Farrell, Kim, Tang and Wiener
Noes: 4 - Avalos, Campos, Mar and Yee

October 07, 2014 Board of Supervisors - DUPLICATED AS AMENDED

October 21, 2014 Board of Supervisors - NOT AMENDED

Ayes: 5 - Avalos, Campos, Kim, Mar and Yee
Noes: 6 - Breed, Chiu, Cohen, Farrell, Tang and Wiener

October 21, 2014 Board of Supervisors - NOT AMENDED

Ayes: 5 - Avalos, Campos, Kim, Mar and Yee
Noes: 6 - Breed, Chiu, Cohen, Farrell, Tang and Wiener

October 21, 2014 Board of Supervisors - NOT AMENDED

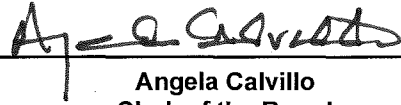
Ayes: 5 - Avalos, Campos, Kim, Mar and Yee
Noes: 6 - Breed, Chiu, Cohen, Farrell, Tang and Wiener

October 21, 2014 Board of Supervisors - FINALLY PASSED

Ayes: 7 - Breed, Chiu, Cohen, Farrell, Kim, Tang and Wiener
Noes: 4 - Avalos, Campos, Mar and Yee

File No. 140381

I hereby certify that the foregoing
Ordinance was FINALLY PASSED on
10/21/2014 by the Board of Supervisors of
the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



Mayor



Date Approved