

File No. 120299

Committee Item No. 2

Board Item No. 25

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date October 1, 2012

Board of Supervisors Meeting Date October 16, 2012

#### Cmte Board

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Completed by: Alisa Miller Date September 28, 2012

Completed by: Alisa Miller Date October 5, 2012

An asterisked item represents the cover sheet to a document that exceeds 25 pages.  
The complete document can be found in the file.

1 [Administrative Code - Extending Restrictions of the Apartment Conversion Ordinance to  
2 Business-Sponsored Short Term Occupancies; Allowing Civil Actions by Certain Non-Profit  
3 Entities; Revising Enforcement Procedures]

4 **Ordinance amending the San Francisco Administrative Code by amending Chapter 41A**  
5 **to 1) extend the restrictions against converting apartment units to short-term**  
6 **occupancies to tenants or guests of business entities that rent such apartments; (2)**  
7 **allow civil actions to be brought by certain non-profit entities; (3) revise enforcement**  
8 **procedures; and 4) making environmental findings.**

9  
10 NOTE: Additions are single-underline italics Times New Roman;  
11 deletions are ~~strike through italics Times New Roman~~.  
12 Board amendment additions are double-underlined;  
13 Board amendment deletions are ~~strikethrough normal~~.

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

15 Section 1. Findings. The Planning Department has determined that the actions  
16 contemplated in this ordinance comply with the California Environmental Quality Act  
17 (California Public Resources Code Section 21000 et seq.). Said determination is on file with  
18 the Clerk of the Board of Supervisors in File No. 120299 and is incorporated herein by  
19 reference.

20 Section 2. The San Francisco Administrative Code is hereby amended by Chapter  
21 41A, to read as follows:

22 **CHAPTER 41A: APARTMENT RESIDENTIAL UNIT CONVERSION AND**  
23 **DEMOLITION**

24 Sec. 41A.1. Title.

25 Sec. 41A.2. Purpose.

Supervisors Chiu, Mar  
BOARD OF SUPERVISORS

1           Sec. 41A.3. Findings.

2           Sec. 41A.4. Definitions.

3           Sec. 41A.5. Unlawful Conversion; Remedies.

4           ~~Sec. 41A.6. Report on Apartment Conversion.~~

5           ~~Sec. 41A.7. Construction.~~

6           Sec. 41A.86. Procedures for Determining ~~and Appealing~~ Administrative Penalties.

7           ~~Sec. 41A.7. Construction~~

8           **SEC. 41A.1. TITLE.**

9           This chapter shall be known as the ~~Apartment~~ Residential Unit Conversion Ordinance.

10          **SEC. 41A.2. PURPOSE.**

11          It is the purpose of this ordinance to benefit the general public by minimizing adverse  
12 impacts on the housing supply and on persons and households of all income levels resulting  
13 from the loss of ~~apartment~~ residential units through their conversion to tourist and transient use.  
14 This is to be accomplished by regulating the conversion of ~~apartment~~ residential units to tourist  
15 and transient use, and through appropriate administrative and judicial remedies.

16          **SEC. 41A.3. FINDINGS.**

17          The Board of Supervisors finds that:

18          (a) There is a severe shortage of decent, safe, sanitary and affordable rental housing in  
19 the City and County of San Francisco.

20          (b) The people of the City and County of San Francisco, cognizant of the housing  
21 shortage in San Francisco, on November 4, 1980, adopted a declaration of policy to increase  
22 the City and County's housing supply by 20,000 units.

23          (c) Many of the City and County's elderly, disabled and low-income persons and  
24 households reside in ~~apartment~~ affordable residential units.

25  
Supervisor Chiu  
BOARD OF SUPERVISORS

Page 2  
9/25/2012

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1 (d) As a result of the removal of apartment residential units from the *rental* housing  
2 market, a housing emergency exists within the City and County of San Francisco for its  
3 elderly, disabled and low-income households.

4 (e) The Board of Supervisors and the Mayor of the City and County of San Francisco  
5 recognized this housing emergency and enacted an ordinance which established a  
6 moratorium on the conversion of apartment residential units to tourist and transient use.

7 (f) The conversion of apartment residential units to tourist and transient use impacts  
8 especially on persons seeking housing in the low to moderate price range.

9 (g) It is in the public interest that conversion of apartment residential units be regulated  
10 and that remedies be provided when unlawful conversion has occurred, in order to protect the  
11 residents ~~tenants~~ and to conserve the limited housing resources.

#### 12 SEC. 41A.4. DEFINITIONS.

13 (a) Apartment Residential Unit. Room or rooms, including a condominium or a room or  
14 dwelling unit that forms part of a tenancy-in-common arrangement, in any building, or portion  
15 thereof, which is designed, built, rented, leased, let or hired out to be occupied, or which is  
16 occupied as the home or residence of four or more households living independently of each  
17 other in dwelling units as defined in the San Francisco Housing Code, provided that the  
18 apartment residential unit was occupied by a permanent resident on or after February 8, 1981.  
19 It is presumed that ~~an residential apartment~~ unit was occupied by a permanent resident on or  
20 after February 8, 1981, and the owner has the burden of proof to show that ~~an apartment~~  
21 residential unit is not subject to this Chapter.

22 (b) Residential Use. Any use for occupancy ~~as of~~ a dwelling unit by a permanent  
23 resident.

24 (c) Tourist or Transient Use. Use of ~~an apartment residential~~ unit for occupancy ~~on for~~  
25 less than a 30-day term of tenancy, or occupancy for less than 30 days of a residential unit leased

1 or owned by a business entity, whether on a short-term or long term basis, including any occupancy by  
2 employees or guests for less than 30 days where payment for the residential unit is contracted for or  
3 paid by the business entity.

4 (d) Permanent Resident. A person who occupies an ~~an~~ apartment residential unit for at least  
5 60 consecutive days with intent to establish that unit as his or her principal place of residence.

6 (e) Conversion or Convert. The change of the use or to rent an ~~an~~ apartment residential unit  
7 from residential use to tourist or transient use.

8 (f) Owner. Owner includes any person who is the owner of record of the real property.  
9 Owner includes a lessee where an interested party alleges that a lessee is offering an  
10 ~~an~~ apartment residential unit for tourist or transient use.

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

16 (h) Director. The Director of the Department of Building Inspection.

17 **SEC. 41A.5. UNLAWFUL CONVERSION; REMEDIES.**

18 (a) Unlawful Actions. It shall be unlawful for (1) any owner to offer an ~~an~~ apartment  
19 residential unit for rent for tourist or transient use, (2) any owner to offer a residential unit for rent  
20 to a business entity that will allow the use of a residential unit for tourist or transient use, or (3) any  
21 business entity to allow the use of a residential unit for tourist or transient use.

22 (b) Records Required. The owner and business entity shall retain and make available to the  
23 Department of Building Inspection occupancy records to demonstrate compliance with this Chapter.

24 (c) Determination of Violation. Upon the filing of a complaint by a permanent resident  
25 that an unlawful conversion has occurred, the Director shall take reasonable steps necessary

1 to determine the validity of the complaint. The Director may independently determine whether  
2 an owner or business entity may be renting an apartment-residential unit for tourist or transient  
3 use as defined in this Chapter. To determine if there is a violation of this Chapter, the Director  
4 may initiate an investigation of the subject property. This investigation may include, but is not  
5 limited to, an inspection of the subject property and a request for any pertinent information  
6 from the owner, such as leases or other documents. The Director shall have discretion to  
7 determine whether there is a potential violation of this Chapter 41A and whether to conduct an  
8 administrative review hearing as set forth below.

9 (ed) Civil Action. Except as provided by Subsection (1) below, Following the filing of a  
10 complaint and the determination of a violation by the Director through an administrative review  
11 hearing as set forth in this Chapter 41A, Any interested party may institute proceedings for  
12 injunctive and monetary relief ~~for violation of this Chapter~~. In addition, the owner or business entity  
13 may be liable for civil penalties of not more than \$1,000 per day for the period of the unlawful  
14 rental. If the City or the interested party is the prevailing party, such the City or the interested  
15 party shall be entitled to the costs of enforcing this Chapter, including reasonable attorneys'  
16 fees, up to the amount of the monetary award, pursuant to an order of the Court. ~~If the interested~~  
17 ~~party is a permanent resident, then the interested party shall retain the entire monetary award.~~ Any  
18 monetary award obtained by the City and County of San Francisco in such a civil action shall  
19 be deposited in the Mayor's Office of Housing, Housing Affordability Fund less the reasonable  
20 costs incurred by the City and County of San Francisco in pursuing the civil action.

21 ~~(1) If the interested party is a permanent resident, such resident, as a condition to initiating civil~~  
22 ~~proceedings pursuant to Subsection (c), must satisfy the requirements set forth in Section 41A.8(b)(2).~~

23 (de) Criminal Penalties. Any owner or business entity who rents an apartment-residential  
24 unit for tourist or transient use as defined in this Chapter shall be guilty of a misdemeanor.  
25 Any person convicted of a misdemeanor hereunder shall be punishable by a fine of not more

1 than \$1,000 or by imprisonment in the County Jail for a period of not more than six months, or  
2 by both. Each ~~apartment~~ residential unit rented for tourist or transient use shall constitute a  
3 separate offense.

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

7 ~~SEC. 41A.6. REPORT ON APARTMENT CONVERSION.~~

8 ~~(a) The Department of City Planning shall report to the Board of Supervisors on the conversion~~  
9 ~~of apartment units to tourist and commercial uses and shall formulate comprehensive legislation for the~~  
10 ~~Board of Supervisors to consider within one year of the passage of this ordinance.~~

11 ~~(b) The Department of City Planning shall specifically determine the following:~~

12 ~~(1) The social, economic and physical impact of such conversion upon low and moderate-~~  
13 ~~income households, which comprise a significant portion of the residents of apartment units. These~~  
14 ~~groups shall include, but not be limited to, the elderly, the disabled, minorities, single heads of~~  
15 ~~households with minor children, and other persons with limited economic resources;~~

16 ~~(2) The impact that such conversions will have upon the total stock of low and moderate income~~  
17 ~~housing in the City and County of San Francisco as a whole, as well as the impact upon the areas in~~  
18 ~~which the units in question are located;~~

19 ~~(3) The effect of prohibition of the conversion of said apartment units to tourist or commercial~~  
20 ~~uses unless replacement housing units are provided on a one-to-one basis.~~

21 ~~SEC. 41A.76. CONSTRUCTION.~~

22 ~~(a) Nothing in this Chapter may be construed to supersede any other lawfully enacted~~  
23 ~~ordinance of the City and County of San Francisco.~~

1           ~~(b) Clauses of this Chapter are declared to be severable and if any provision or clause of this~~  
2 ~~chapter or the application thereof is held to be unconstitutional or to be otherwise invalid by any court~~  
3 ~~of competent jurisdiction, such invalidity shall not affect other provisions of this Chapter.~~

4           **SEC. 41A.86. PROCEDURES FOR DETERMINING ~~AND APPEALING~~**  
5 **ADMINISTRATIVE PENALTIES.**

6           (a) Notice of Complaint. Within ~~1015~~ days of the filing of a complaint ~~or~~ and upon the  
7 Director's independent finding that there may be a violation of this Chapter, the Director shall  
8 notify the owner by certified mail that the owner's ~~apartment~~ residential unit is the subject of an  
9 investigation for an unlawful use rental and provide the date, time, and place of an administrative  
10 review hearing in which the owner can respond to the complaint.

11           ~~(b) Administrative Review Hearing; Director's Determination of a Violation; Notice. In the~~  
12 ~~event the Director determines that an administrative review hearing shall be conducted, the Director's~~  
13 ~~appointed hearing officer will hold an administrative review hearing within 60 days of the filing of the~~  
14 ~~complaint to~~ Upon reviewing the all information set forth in the complaint, if any, and any information  
15 ~~obtained by the Director during his or her provided by the Interested Party, members of the public, City~~  
16 ~~staff and the Owner for the investigation, and the Director hearing officer shall thereafter make a~~  
17 ~~determinatione~~ whether ~~the an~~ owner has violated this Chapter. ~~The Director shall notify by~~  
18 ~~certified mail the complainant and the owner of his or her determination.~~

19           (1) Notice of the hearing shall be conspicuously posted on the building that is the subject of the  
20 hearing. The owner shall state under oath at the hearing that the notice remained posted for at least 10  
21 calendar days prior the hearing. The Director shall appoint a hearing officer to conduct the hearing.

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



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

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

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

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

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

23 ~~(4)~~ (7) Remedy of Violation. If the ~~Hearing Officer~~ Director determines that a violation has  
24 occurred, the ~~Director's notice shall:~~ Hearing Officer's Decision should:

1 (iA) Specify a reasonable period of time during which the owner must correct or  
2 otherwise remedy the violation; and

3 (iiB) State that if the violation is not corrected or otherwise remedied within this  
4 period, the owner may be required to pay the administrative penalties set forth in  
5 Subsection 41A.6(c).

6 (82) If the ~~Hearing Officer~~ Director determines that no violation has occurred, ~~for purposes~~  
7 ~~of filing a civil action authorized by Section 41A.5(c)(1)~~, the Director's determination is final.

8 (c) Imposition of Administrative Penalties for Unabated Violations and Enforcement  
9 Costs.

10 (1) Administrative Penalties. If the Director, ~~upon further investigation, finds that the~~  
11 violation has continued unabated beyond the time specified in the notice required by ~~the~~  
12 ~~Hearing Officer, in Subsection (b)(1)(A), the Director may impose~~ an administrative penalty of not  
13 more than ~~three~~ four times the standard hourly administrative rate of \$104.00 rental rate shall be  
14 charged for each unlawfully converted unit from the day the unlawful ~~rental use~~ commenced  
15 until such time as the unlawful ~~use rental~~ terminates. ~~The rental rate charged shall be the rent~~  
16 ~~charged, whether daily, weekly, or otherwise calculated, for the apartment unit during the period of the~~  
17 ~~unlawful use.~~

18 (2) Enforcement Costs. The Director ~~also may require the owner to~~ shall reimburse the  
19 City for the costs of enforcement of this Chapter, which shall include, but not be limited to,  
20 reasonable attorneys' fees.

21 (d) Notice of ~~Director's Determination of~~ Continuing Violation and Imposition of Penalties.  
22 The Director shall notify the owner by certified mail that the violation has continued unabated  
23 and that administrative penalties shall be imposed pursuant to ~~Subsection (e)~~ this Chapter 41A.  
24 The notice shall state the ~~basis-time~~ of the Director's determination regarding the continued  
25 existence of the violation and the resulting imposition of penalties. ~~The notice also shall inform~~

1 ~~the owner of the right to request a hearing within 10 days of the notice date to contest the Director's~~  
2 ~~determination on the continuation of the violation and the imposition of penalties. (e) Confirmation of~~  
3 ~~Continuing Violation and Imposition of Penalties. If no request is timely filed for an administrative~~  
4 ~~review hearing, the Director's determination regarding the continuation of the violation and the~~  
5 ~~imposition of penalties shall be deemed confirmed. The Director may then request p~~Payment of the  
6 administrative penalties and enforcement costs shall be made within 30 days of the certified  
7 mailed notice to the owner. If the administrative penalties and enforcement costs are not paid,  
8 the Director ~~is authorized to~~ shall initiate lien procedures to secure the amount of the penalties  
9 and costs against the real property that is subject to this Chapter, under Article XX of Chapter  
10 10 of the San Francisco Administrative Code to make the penalty, plus accrued interest, a lien against  
11 the real property regulated under this Chapter. Except for the release of the lien recording fee  
12 authorized by Administrative Code Section 10.237, all sums collected by the Tax Collector pursuant to  
13 this ordinance shall be held in trust by the Treasurer and distributed as provided in Section 41A.5(d) of  
14 this Chapter. pursuant to the provisions of Section 41.20(d) of this Code; provided however, that the  
15 City Treasurer shall distribute all sums collected pursuant to Subsection (11) herein.

16 ~~(f) Notice of Administrative Review Hearing. Whenever an administrative review hearing is~~  
17 ~~requested pursuant to Subsection (d), the Director, within 45 calendar days of the request, shall notify~~  
18 ~~the owner of the date, time, and place of the hearing by certified mail. Notice of the hearing shall be~~  
19 ~~conspicuously posted on the building that is the subject of the hearing. The owner shall state under~~  
20 ~~oath at the hearing that the notice remained posted for at least 10 calendar days prior the hearing. The~~  
21 ~~Director shall appoint a hearing officer to conduct the hearing.~~

22 ~~(g) Pre-hearing Submission. No less than three working days prior to the administrative review~~  
23 ~~hearing, parties to the hearing shall submit written information to the Department of Building~~  
24 ~~Inspection including, but not limited to, the following: the issues to be determined by the hearing officer~~

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

13 ~~(i) Finality of the Hearing Officer's Decision and Appeal. The decision of the hearing officer~~  
14 ~~shall be final. Within 20 days after service of the hearing officer's decision, any party other than the~~  
15 ~~City and County of San Francisco, may seek review of the hearing officer's decision by the municipal~~  
16 ~~court, according to the procedures set forth in California Government Code Section 53069.4.~~

17 ~~(j) Confirmation of Hearing Officer Decision. If no notice of appeal of the hearing officer's~~  
18 ~~decision is timely filed, the decision shall be deemed confirmed. If any imposed administrative penalties~~  
19 ~~and costs have not been deposited at this time, the Director may proceed to collect the penalties and~~  
20 ~~costs pursuant to the lien procedures set forth in Subsection (e).~~

21 ~~(k) Collection of Penalties after Municipal Court Decision. If the court finds in favor of the~~  
22 ~~contestant, the amount of the municipal court filing fee shall be reimbursed to the contestant by the City~~  
23 ~~and County of San Francisco. If the administrative penalty has been deposited, the City and County of~~  
24 ~~San Francisco shall distribute the administrative penalty in accordance with the judgment of the court.~~

1 ~~If the administrative penalties and enforcement costs have not been deposited and the decision of the~~  
2 ~~municipal court is against the contestant, the Director may proceed to collect the penalties and costs.~~

3 (g) Deposit of Penalties. Administrative penalties paid pursuant to this Chapter shall  
4 be deposited in the Mayor's Office of Housing, Housing Affordability Fund less the reasonable  
5 costs incurred by the City and County of San Francisco in pursuing enforcement under this  
6 Chapter 41A. the lien procedures set forth in Subsection (e), if such procedures were undertaken. If  
7 enforcement costs were imposed pursuant to Subsection (e), such funds shall be distributed  
8 according to the purpose for which they were collected.

9 **SEC. 41A.7. CONSTRUCTION.**

10 (a) Nothing in this Chapter may be construed to supersede any other lawfully enacted  
11 ordinance of the City and County of San Francisco.

12 (b) Clauses of this Chapter are declared to be severable and if any provision or clause of this  
13 chapter or the application thereof is held to be unconstitutional or to be otherwise invalid by any court  
14 of competent jurisdiction, such invalidity shall not affect other provisions of this Chapter.

15 Section 3. Effective Date. This ordinance shall become effective 30 days from the  
16 date of passage.

17 Section 4. This section is uncodified. In enacting this Ordinance, the Board intends to  
18 amend only those words, phrases, paragraphs, subsections, sections, articles, numbers,  
19 punctuation, charts, diagrams, or any other constituent part of the Administrative Code that

20 //

21 //

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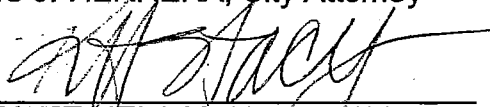
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1 are explicitly shown in this legislation as additions, deletions, Board amendment additions,  
2 and Board amendment deletions in accordance with the "Note" that appears under the official  
3 title of the legislation.

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

6 By:

  
7 KATE HERRMANN STACY  
8 Deputy City Attorney

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**REVISED LEGISLATIVE DIGEST**

(9/25/2012, Substituted in Board)

[Administrative Code - Extending Restrictions of the Apartment Conversion Ordinance to Business-Sponsored Short Term Occupancies; Allowing Civil Actions by Certain Non-Profit Entities; Revising Enforcement Procedures]

**Ordinance amending the San Francisco Administrative Code by amending Chapter 41A to 1) extend the restrictions against converting apartment units to short-term occupancies to tenants or guests of business entities that rent such apartments; (2) allow civil actions to be brought by certain non-profit entities; (3) revise enforcement procedures; and 4) making environmental findings.**

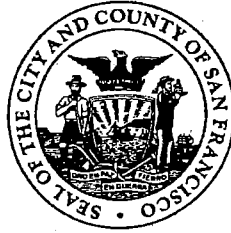
Existing Law

Administrative Code Chapter 41A prohibits the occupancy of an apartment unit for less than thirty days, which is defined as a tourist or transient use. Chapter 41A provides both civil remedies and criminal penalties for violations, and authorizes the Director of Building Inspection to enforce the provisions of Chapter 41A. The ordinance also permits a permanent resident of a building, where unlawful tourist or transient use is alleged to occur, to institute proceedings for injunctive and monetary relief for a violation of Chapter 41A.

Amendments to Current Law

This Ordinance specifies that even where a business entity may have a long term lease for an apartment unit, if the business entity leases or permits the use of the apartment unit for less than 30 days, such activity is illegal under Chapter 41A. In addition, the amendments permit a non-profit organization, which has the preservation or improvement of housing as a stated purpose in its articles of incorporation or bylaws, to institute proceedings for injunctive and monetary relief for a violation of Chapter 41A. This Ordinance clarifies the procedures for enforcement in the following ways. First, the Director of Building Inspection has discretion to determine whether a potential violation may exist. If the Director so determines, a hearing officer will conduct a hearing. Second, penalties are specified to be four times the standard rate of \$104, and the City may also collect the cost of enforcement, including attorneys fees, from an owner or business entity found to be in violation of Chapter 41A. An interested party may bring a civil action following the hearing officer's determination.

BOARD of SUPERVISORS



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Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

April 2, 2012

File No. 120299

Bill Wycko  
Environmental Review Officer  
Planning Department  
1650 Mission Street, 4<sup>th</sup> Floor  
San Francisco, CA 94103

Dear Mr. Wycko:

On March 27, 2012, Supervisor Chiu introduced the following proposed legislation:

**File No. 120299**

Ordinance amending the San Francisco Administrative Code Chapter 41A to extend the restrictions against converting apartment units to short-term occupancies to tenants or guests of corporate entities that rent such apartments; allowing civil actions to be brought by certain non-profit entities; and making environmental findings.

This legislation is being transmitted to you for environmental review, pursuant to Planning Code Section 306.7(c).

Angela Calvillo, Clerk of the Board

Handwritten signature of Alisa Miller in cursive.

By: Alisa Miller, Committee Clerk  
Land Use & Economic Development Committee

Attachment

c: Nannie Turrell, Major Environmental Analysis  
Brett Bollinger, Major Environmental Analysis

*Not a project per CEQA  
Guidelines Sections  
15060(c)(3) and  
15378.  
N R Turrell  
April 2, 2012*





## CONVERTING APARTMENTS TO SHORT TERM CORPORATE RENTALS

terrie frye to: scott wiener, Scott.Wiener@sfgov.org

10/01/2012 11:06 AM

Cc: alisa.miller

Dear Scott,

Converting rent controlled apartments into short term corporate rentals is unconscionable.

I don't know what they are doing in other buildings, but in my dillapidated, filthy building that has had repair issues and filth issues since I moved in 11 years ago are being ignored in favor of greed, of hurrying up and converting these apartments before they get caught or are stopped by legislation.

I see no permits for this work for my building. How can they completely remodel an apartment, including replacing kitchen and bathrrom fixtures, and tearing out walls and moldings, without permits?

This is absolutely depleting the rental stock in San Francisco. And with these short term rentals, there will be also less people voting in my district as they would not be inclined to register at a short term address and wait for more permanent lodging before registering.

They are forgetting about local folks who already live here in favor of attracting those who are moving here, and giving them a short term rental while they wait to rent or buy one of the many condos being built which are not even affordable to most San Franciscans.

A young couple in the past could always start out in a cheap apartment in the Tenderloin. Not so any longer. Show me an average second or third generation San Franciscan who is walking down the street in search of living quarters who is interested in a furnished, \$1900 per month studio apartment.

Native San Franciscans are being priced out of the city in favor of transplants. Yes, 42 years ago I was a transplant too, but not this kind of transplant. I was a low to mid-income wage earner!

Sincerely,

Terrie Frye

The light at the end of the tunnel may be an oncoming train.



**Land Use Agenda Item 2, file 120299 - Short Term Occupancy**

Paul Wermer to: Eric.L.Mar, malia.cohen, Scott.Wiener

10/01/2012 06:35 AM

Cc: Alisa.Miller, "David Chiu", Mark.Farrell

Please respond to paul

Land Use & Economic Development Committee  
San Francisco Board of Supervisors  
City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

Subject: Agenda Item 2, file 120299: Extending restrictions of the Apartment Conversion Ordinance to business-sponsored short term occupancies; allowing civil actions by certain non-profit entities

Dear Supervisors:

The housing shortage in San Francisco is only exacerbated when hotel uses compete for residential units. This is especially problematic when the hotel usage occupies units subject to the rent control ordinance. Unfortunately, the evidence of increasing conversion of residential units to de facto hotels is only too strong, as googling "short term rental" demonstrates.

Supervisor Chiu's proposed legislation (File 120299) addresses this key issue clearly, and deserves support.

There are 2 areas where this legislation could be improved:

1) An unintended side effect is to penalize genuine residents who might wish to exchange their property with others for a vacation period, or rent their property for a short period while they are out of town on vacation. This legislation should be improved by adding language to permit genuine residents to rent or exchange their unit for short periods of time while they are out of town.

2) Sec 41A.5 (a) expressly prohibits an owner from offering an residential unit for tourist or transient use. (p4, lines 18 ff). However, nothing in the draft language appears to prevent the tenant of a rent controlled apartment from renting the apartment for tourist or transient use. This offers simple workarounds that weaken the intent of the legislation, notwithstanding recent proposed language on business entities. Revising the language to prohibit both owner and tenant would be a clearer statement of intent.

I urge you to support Supervisor Chiu's legislation, provided that Chapter 41A is also amended to permit genuine residents reasonable rights to rent their living unit while they are travelling.

Sincerely yours,  
Paul

Paul Wermer  
2309 California St  
San Francisco, CA 94115

Print Form

# Introduction Form

By a Member of the Board of Supervisors or the 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  inquires"
- 5. City Attorney request.
- 6. Call File No.  from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No.
- 9. Request for Closed Session (attach written motion).
- 10. Board to Sit as A Committee of the Whole.
- 11. Question(s) 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
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use a different form.**

**Sponsor(s):**

**Subject:**

**The text is listed below or attached:**

Signature of Sponsoring Supervisor: 

**For Clerk's Use Only:**

