

File No. 190140

Committee Item No. 1

Board Item No. \_\_\_\_\_

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Rules Committee

Date June 3, 2019

Board of Supervisors Meeting

Date \_\_\_\_\_

### Cmte Board

- |                                     |                          |  |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | Memorandum of Understanding (MOU)            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 - Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 700                                     |
| <input type="checkbox"/>            | <input type="checkbox"/> | Vacancy Notice                               |
| <input type="checkbox"/>            | <input type="checkbox"/> | Information Sheet                            |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

### OTHER

(Use back side if additional space is needed)

|                          |                          |       |
|--------------------------|--------------------------|-------|
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Victor Young Date May 30, 2019

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

1 [Administrative Code - Displaced Tenant Preference in City Affordable Housing]

2  
3 **Ordinance amending the Administrative Code to expand the Displaced Tenant**  
4 **Preference in City Affordable Housing Programs to cover tenants where the tenant's**  
5 **unit is no longer restricted by a regulatory agreement or other affordable housing**  
6 **restriction and the landlord has increased the rent to be more than 40% of the tenant's**  
7 **gross household income.**

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

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

16 Section 1. Chapter 47 of the Administrative Code is hereby amended by revising  
17 Section 47.2, to read as follows:

18 **SEC. 47.2. DEFINITIONS.**

19 \* \* \* \*

20 "Displaced Tenant" shall mean any person who applies to MOHCD and who MOHCD  
21 determines qualifies under any of the categories below. If a person disputes MOHCD's  
22 determination that he or she does not qualify as a "Displaced Tenant" under this Section 47.2,  
23 such person shall have the right to a hearing conducted by a Rent Board Administrative Law  
24 Judge (as defined in Administrative Code Section 37.2(f)), with MOHCD as the responding  
25 party:

///

1           Category 1: A tenant residing in San Francisco who on or after January 1, 2010  
2 receives a Notice of Intent to Withdraw Rental Units ("Notice of Intent to Withdraw") pursuant  
3 to the Ellis Act, California Government Code Sections 7060 et seq., and corresponding  
4 provisions of the Rent Ordinance. MOHCD shall establish a process for a tenant to verify his  
5 or her status as a "Displaced Tenant" under Category 1 that, at a minimum, shall require a  
6 tenant to show: (a) the landlord filed with the Rent Board a Notice of Intent to Withdraw; and  
7 (b) the tenant either: (1) is listed on the Notice of Intent to Withdraw; (2) is listed on the lease  
8 for the unit in question; or (3) has other evidence sufficient to establish, in MOHCD's  
9 reasonable discretion, that he or she resided in the unit at the time the Notice of Intent to  
10 Withdraw was filed. If the Rent Board grants a landlord's request to rescind the Notice of  
11 Intent to Withdraw before a tenant moves out of his or her unit, such tenant shall no longer  
12 qualify as a "Displaced Tenant."

13           Category 2: A tenant residing in San Francisco who on or after January 1, 2010  
14 receives a notice that his or her landlord plans to recover possession of the unit under Section  
15 37.9(a)(8) of the Rent Ordinance. MOHCD shall establish a process for a tenant to verify his  
16 or her status as a "Displaced Tenant" under Category 2 that, at a minimum, shall require a  
17 tenant to show: (a) the landlord filed with the Rent Board the notice to vacate, as required  
18 under Rent Ordinance Section 37.9(c); and (b) the tenant either: (1) is listed on the notice to  
19 vacate; (2) is listed on the lease for the unit in question; or (3) has other evidence sufficient to  
20 establish, in MOHCD's reasonable discretion, that he or she resided in the unit at the time the  
21 notice to vacate was filed.

22           Category 3: A tenant residing in San Francisco who is required to vacate his or  
23 her unit by a public safety official due to fire, and who can provide sufficient evidence to  
24 MOHCD that demonstrates that he or she cannot return to the unit within a period of six  
25 months from the date of the order to vacate the unit. MOHCD shall establish a process for a

1 tenant to verify his or her status as a "Displaced Tenant" under Category 3 that, at a  
2 minimum, shall require a tenant to show: (a) a public safety official provided an order to  
3 vacate the unit to such tenant or to the owner of the unit; and (b) the tenant either: (1) is listed  
4 on the order to vacate; (2) is listed on the lease for the unit in question; or (3) has other  
5 evidence sufficient to establish, in MOHCD's reasonable discretion, that he or she resided in  
6 the unit at the time the order was provided. This Category 3 "Displaced Tenant" preference  
7 shall expire by operation of law on December 31, 2020, provided, however, that MOHCD may  
8 determine after December 31, 2020 that a person who applied to MOHCD under Category 3  
9 on or prior to December 31, 2020 qualifies as a Displaced Tenant.

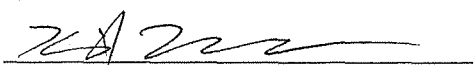
10 Category 4: A tenant residing in San Francisco who is vacating the tenant's unit  
11 because MOHCD has verified that a multi-family residential property is no longer restricted to ensure  
12 affordability based on income under any regulatory agreement (including a regulatory agreement  
13 based on the issuance of housing mortgage revenue bonds) or other affordable housing agreement  
14 and/or recorded instrument, and the landlord of such property has increased such tenant's total annual  
15 rent above 40% of the tenant's total annual gross household income. MOHCD shall establish a process  
16 for a tenant to verify the tenant's status as a "Displaced Tenant" under Category 4 that, at a minimum,  
17 shall require the tenant to show: (a) documentation of the tenant's total gross household income on a  
18 form provided by MOHCD in accordance with the Inclusionary Procedures Manual in effect at the time  
19 of application for a "Displaced Tenant" housing preference; (b) written documentation from the  
20 landlord, in a form prescribed by MOHCD, that the household is required to execute a new lease with  
21 a rent amount that exceeds 40% of the tenant's current total annual gross household income; and (c)  
22 the tenant either: (1) is listed on the lease for the unit in question; or (2) has other evidence sufficient to  
23 establish, in MOHCD's reasonable discretion, that he or she resides in the unit at the time the landlord  
24 increased the tenant's rent.

25 \* \* \* \*

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

5           Section 3.    Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
6 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
7 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
8 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment  
9 additions, and Board amendment deletions in accordance with the "Note" that appears under  
10 the official title of the ordinance.

11  
12 APPROVED AS TO FORM:  
13 DENNIS J. HERRERA, City Attorney

14  
15 By:   
16 KEITH NAGAYAMA  
17 Deputy City Attorney  
18 n:\legana\as2019\1900350\01335654.docx

## LEGISLATIVE DIGEST

[Administrative Code - Displaced Tenant Preference in City Affordable Housing]

**Ordinance amending the Administrative Code to expand the Displaced Tenant Preference in City Affordable Housing Programs to cover tenants where the tenant's unit is no longer restricted by a regulatory agreement or other affordable housing restriction and the landlord has increased the rent to be more than 40% of the tenant's gross household income.**

### Existing Law

Current law provides preference in all City Affordable Housing Programs to certain "Displaced Tenants" residing in San Francisco under three categories: (1) tenants who have been evicted based on a Notice of Intent to Withdraw Units under the Ellis Act (California Government Code Sections 7060 *et seq*); (2) tenants who have been evicted based on an "Owner Move-In" under Administrative Code Section 37.9(a)(8); or (3) tenants who are forced to vacate by a public safety official due to fire and cannot return to their units within six months.

### Amendments to Current Law

The purpose of this ordinance is to expand the definition of "Displaced Tenant" to tenants who live in a multi-family residential building that is no longer restricted to ensure affordability based on income under a regulatory agreement or other affordable housing restriction, and the landlord of such residential building has increased the total annual rent to be more than 40% of the tenants' total annual household income. A tenant certified under this category would receive a preference in the City's affordable housing programs.

### Background Information

Certain multifamily residential buildings are restricted for a period of time to ensure that all or a portion of the rental units are available to income-eligible tenants and the rent for such units is restricted based on a tenant's household income and size. After the period of affordability restrictions expire, a landlord may increase a tenant's rent to market rate regardless of the tenant's household income. In such event, a tenant might be burdened with a substantial rent increase and an annual rent amount that exceeds 40% of annual household income, in which case the tenant could be displaced to find housing more affordable to the household.

BOARD of SUPERVISORS



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

## MEMORANDUM

TO: Jeff Kositsky, Director  
Department of Homelessness and Supportive Housing

Sam Dodge, Director  
Housing Opportunity, Partnership and Engagement

Barbara Smith, Executive Director  
Housing Authority

Kate Hartley, Director  
Mayor's Office of Housing and Community Development

FROM: Victor Young, Assistant Clerk *VY*  
Rules Committee

DATE: February 8, 2019

SUBJECT: LEGISLATION INTRODUCED

---

The Board of Supervisors' Rules Committee has received the following proposed legislation, introduced by Mayor Breed on February 5, 2019:

**File No. 190140**

**Ordinance amending the Administrative Code to expand the Displaced Tenant Preference in City Affordable Housing Programs to cover tenants where the tenant's unit is no longer restricted by a regulatory agreement or other affordable housing restriction and the landlord has increased the rent to be more than 40% of the tenant's gross household income.**

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [victor.young@sfgov.org](mailto:victor.young@sfgov.org).

c: Emily Cohen, Department of Homelessness and Supportive Housing  
Dee Schexnayder, Housing Opportunity, Partnership and Engagement  
Christine Keener, Housing Opportunity, Partnership and Engagement  
Cindy Gamez, Housing Authority

Dariusz Kayhan, Housing Authority  
Linda Martin-Mason, Housing Authority  
Amy Chan, Mayor's Office of Housing and Community Development



Print Form

# Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2019 FEB -5 PM 2:00

Time stamp  
of 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 [redacted] inquires"
- 5. City Attorney request.
- 6. Call File No. [redacted] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. [redacted]
- 9. Reactivate File No. [redacted]
- 10. Question(s) submitted for Mayoral Appearance before the BOS on [redacted]

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 Imperative Form.**

**Sponsor(s):**

Brown and Peskin

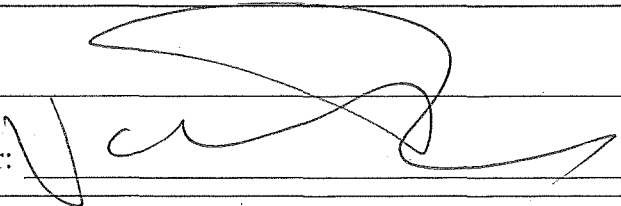
**Subject:**

Amending the Administrative Code to expand the Displaced Tenant Preference in City Affordable Housing Programs to cover tenants where the tenant's unit is no longer restricted by a regulatory agreement or other affordable housing restriction and the landlord has increased the rent to be more than 40% of the tenant's gross household income.

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

[Redacted area]

Signature of Sponsoring Supervisor:



**For Clerk's Use Only:**

