

1 [Administrative Code - Residential Rent Stabilization and Arbitration Ordinance: Prohibit Rent  
2 Increases and Evictions Based on Additional Occupants]

3 **Draft Ordinance amending Administrative Code, Chapter 37, “Residential Rent**  
4 **Stabilization and Arbitration Ordinance,” Sections 37.3 and 37.9, to prohibit rent**  
5 **increases based on the addition of occupants, even where a pre-existing rental**  
6 **agreement or lease otherwise permits a rent increase for additional occupants, except**  
7 **that a landlord may petition for and be granted a rent increase based on increased**  
8 **costs caused by the additional occupant(s), and except that rent increases otherwise**  
9 **permitted by California Civil Code, Section 1954.53(d)(1), are not prohibited (Section**  
10 **37.3(a)(11)); and to prohibit evictions based on the addition of occupants, so long as**  
11 **the total number of occupants does not exceed the maximum number of occupants per**  
12 **sleeping room set by Housing Code, Section 503(b), "Superficial Floor Area"**  
13 **standards, if the landlord has unreasonably refused a written request by the tenant to**  
14 **add the occupant(s) (Section 37.9(a)(2)).**

15 NOTE: Additions are *single-underline italics Times New Roman*;  
16 deletions are ~~*strike-through italics Times New Roman*~~.  
17 Board amendment additions are double-underlined Arial;  
Board amendment deletions are ~~strikethrough Arial~~.

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

19 Section 1. The Administrative Code is hereby amended by amending Section 37.3, to  
20 read as follows:

21 SEC. 37.3. RENT LIMITATIONS.

22 (a) Rent Increase Limitations for Tenants in Occupancy. Landlords may impose rent  
23 increases upon tenants in occupancy only as provided below and as provided by Subsection  
24 37.3(d):

1 (1) Annual Rent Increase. On March 1st of each year, the Board shall publish the  
2 increase in the CPI for the preceding 12 months, as made available by the U.S. Department of  
3 Labor. A landlord may impose annually a rent increase which does not exceed a tenant's  
4 base rent by more than 60 percent of said published increase. In no event, however, shall the  
5 allowable annual increase be greater than seven percent.

6 (2) Banking. A landlord who refrains from imposing an annual rent increase or any  
7 portion thereof may accumulate said increase and impose that amount on the tenant's  
8 subsequent rent increase anniversary dates. A landlord who, between April 1, 1982, and  
9 February 29, 1984, has banked an annual seven percent rent increase (or rent increases) or  
10 any portion thereof may impose the accumulated increase on the tenant's subsequent rent  
11 increase anniversary dates.

12 (3) Capital Improvements, Rehabilitation, and Energy Conservation Improvements,  
13 and Renewable Energy Improvements. A landlord may impose rent increases based upon the  
14 cost of capital improvements, rehabilitation, energy conservation improvements, or renewable  
15 energy improvements, provided that such costs are certified pursuant to Sections 37.7 and  
16 37.8B below; provided further that where a landlord has performed seismic strengthening in  
17 accordance with Building Code Chapters 16B and 16C, no increase for capital improvements  
18 (including but not limited to seismic strengthening) shall exceed, in any 12 month period, 10  
19 percent of the tenant's base rent, subject to rules adopted by the Board to prevent landlord  
20 hardship and to permit landlords to continue to maintain their buildings in a decent, safe and  
21 sanitary condition. A landlord may accumulate any certified increase which exceeds this  
22 amount and impose the increase in subsequent years, subject to the 10 percent limitation.  
23 Nothing in this subsection shall be construed to supersede any Board rules or regulations with  
24 respect to limitations on increases based upon capital improvements whether performed  
25 separately or in conjunction with seismic strengthening improvements pursuant to Building

1 Code Chapters 16B and 16C.

2 (4) Utilities. A landlord may impose increases based upon the cost of utilities as  
3 provided in Section 37.2(q) above.

4 (5) Water: Charges Related to Excess Water Use, and 50% Passthrough of Water Bill  
5 Charges Attributable to Water Rate Increases Resulting From Issuance of Water System  
6 Improvement Revenue Bonds Authorized at the November 2002 Election.

7 (A) Charges Related to Excess Water Use. A landlord may impose increases not to  
8 exceed 50 percent of the excess use charges (penalties) levied by the San Francisco Water  
9 Department on a building for use of water in excess of Water Department allocations under  
10 the following conditions:

11 (i) The landlord provides tenants with written certification that the following have been  
12 installed in all units: (1) permanently installed retrofit devices designed to reduce the amount  
13 of water used per flush or low-flow toilets (1.6 gallons per flush); (2) low-flow showerheads  
14 which allow a flow of no more than 2.5 gallons per minute; and (3) faucet aerators (where  
15 installation on current faucets is physically feasible); and

16 (ii) The landlord provides the tenants with written certification that no known plumbing  
17 leaks currently exist in the building and that any leaks reported by tenants in the future will be  
18 promptly repaired; and

19 (iii) The landlord provides the tenants with a copy of the water bill for the period in  
20 which the penalty was charged. Only penalties billed for a service period which begins after  
21 the effective date of the ordinance [April 20, 1991] may be passed through to tenants. Where  
22 penalties result from an allocation which does not reflect documented changes in occupancy  
23 which occurred after March 1, 1991, a landlord must, if requested in writing by a tenant, make  
24 a good-faith effort to appeal the allotment. Increases based upon penalties shall be prorated  
25 on a per-room basis provided that the tenancy existed during the time the penalty charges

1 accrued. Such charges shall not become part of a tenant's base rent. Where a penalty in any  
2 given billing period reflects a 25 percent or more increase in consumption over the prior billing  
3 period, and where that increase does not appear to result from increased occupancy or any  
4 other known use, a landlord may not impose any increase based upon such penalty unless  
5 inspection by a licensed plumber or Water Department inspector fails to reveal a plumbing or  
6 other leak. If the inspection does reveal a leak, no increase based upon penalties may be  
7 imposed at any time for the period of the unrepaired leak.

8 (B) 50% Passthrough of Water Bill Charges Attributable to Water Increases Resulting  
9 From Issuance of Water System Improvement Revenue Bonds Authorized at the November  
10 2002 Election. A landlord may pass through 50% of the water bill charges attributable to water  
11 rate increases resulting from issuance of Water System Improvement Revenue Bonds  
12 authorized at the November 2002 election (Proposition A), to any unit that is in compliance  
13 with any applicable laws requiring water conservation devices. The landlord is not required to  
14 file a petition with the Board for approval of such a cost passthrough. Such cost passthroughs  
15 are subject to the following:

16 (i) Affected tenants shall be given notice of any such passthrough as provided by  
17 applicable notice of rent increase provisions of this Chapter 37, including but not limited to  
18 Section 37.3(b)(3).

19 (ii) A tenant may file a hardship application with the Board, and be granted relief from  
20 all or part of such a cost passthrough.

21 (iii) If a tenant's hardship application is granted, the tenant's landlord may utilize any  
22 available Public Utilities Commission low-income rate discount program or similar program for  
23 water bill reduction, based on that tenant's hardship status.

24 (iv) A landlord shall not impose a passthrough pursuant to Section 37.3(a)(5)(B) if the  
25 landlord has filed for or received Board approval for a rent increase under Section 37.8(e)(4)

1 for increased operating and maintenance expenses in which the same increase in water bill  
2 charges attributable to water rate increases resulting from issuance of any water revenue  
3 bonds authorized at the November 5, 2002 election was included in the comparison year cost  
4 totals.

5 (v) Where a tenant alleges that a landlord has imposed a water revenue bond  
6 passthrough that is not in compliance with Section 37.3(a)(5)(B), the tenant may petition for a  
7 hearing under the procedures provided by Section 37.8. In such a hearing the landlord shall  
8 have the burden of proving the accuracy of the calculation that is the basis for the increase.  
9 Any tenant petition challenging such a passthrough must be filed within one year of the  
10 effective date of the passthrough.

11 (vi) A tenant who has received a notice of passthrough or a passthrough under this  
12 Section 37.3(a)(5)(B) shall be entitled to receive a copy of the applicable water bill from the  
13 landlord upon request.

14 (vii) The amount of permissible passthrough per unit under this Section 37.3(a)(5)(B)  
15 shall be determined as follows:

16 (1) The San Francisco Public Utilities Commission will determine the charge per unit  
17 of water, if any, that is attributable to water rate increases resulting from issuance of water  
18 system improvement revenue bonds authorized at the November 5, 2002 election.

19 (2) The charge identified in Section 37.3(a)(5)(B)(vii)(1) shall be multiplied by the total  
20 units of water used by each customer, for each water bill. The result is the total dollar amount  
21 of the water bill that is attributable to water rate increases resulting from issuance of water  
22 system improvement revenue bonds authorized at the November 5, 2002 election. That  
23 charge shall be a separate line item on each customer's water bill.

24 (3) The dollar amount calculated under Section 37.3(a)(5)(B)(vii)(2) shall be divided  
25 by two (since a 50% passthrough is permitted), and then divided by the total number of units

1 covered by the water bill, including commercial units. The resulting dollar figure shall be  
2 divided by the number of months covered by the water bill cycle (most are two-month bill  
3 cycles), to determine the amount of that water bill that may be passed through to each  
4 residential unit for each month covered by that bill.

5 (4) These passthroughs may be imposed on a monthly basis. These passthroughs  
6 shall not become part of a tenant's base rent. The amount of each passthrough may vary from  
7 month to month, depending on the amount calculated under Sections 37.3(a)(5)(B)(vii)(1)  
8 through (3).

9 (viii) The Board may amend its rules and regulations as necessary to implement this  
10 Section 37.3(a)(5)(B).

11 (6) Property Tax. A landlord may impose increases based upon a 100% passthrough  
12 of the change in the landlord's property tax resulting from the repayment of general obligation  
13 bonds of the City and County of San Francisco approved by the voters between November 1,  
14 1996, and November 30, 1998 as provided in Section 37.2(q) above.

15 A landlord may impose increases based upon a 50% passthrough of the change in the  
16 landlord's property tax resulting from the repayment of San Francisco Unified School District  
17 or San Francisco Community College District general obligation bonds approved by the voters  
18 after November 1, 2006, as provided in Section 37.2(q) above.

19 The amount of such increases shall be determined for each tax year as follows:

20 (A) For general obligation bonds of the City and County of San Francisco approved by  
21 the voters between November 1, 1996 and November 30, 1998:

22 (i) The Controller and the Board of Supervisors will determine the percentage of the  
23 property tax rate, if any, in each tax year attributable to general obligation bonds approved by  
24 the voters between November 1, 1996, and November 30, 1998, and repayable within such  
25 tax year.

1 (ii) This percentage shall be multiplied by the total amount of the net taxable value for  
2 the applicable tax year. The result is the dollar amount of property taxes for that tax year for a  
3 particular property attributable to the repayment of general obligation bonds approved by the  
4 voters between November 1, 1996, and November 30, 1998.

5 (iii) The dollar amount calculated under Subsection (ii) shall be divided by the total  
6 number of all units in each property, including commercial units. That figure shall be divided  
7 by 12 months, to determine the monthly per unit costs for that tax year of the repayment of  
8 general obligation bonds approved by the voters between November 1, 1996, and November  
9 30, 1998.

10 (B) For general obligation bonds of the City and County of San Francisco approved by  
11 the voters after November 14, 2002, where any rent increase has been disclosed and  
12 approved by the voters:

13 (i) The Controller and the Board of Supervisors will determine the percentage of the  
14 property tax rate, if any, in each tax year attributable to general obligation bonds approved by  
15 the voters after November 14, 2002, and repayable within such tax year.

16 (ii) This percentage shall be multiplied by the total amount of the net taxable value for  
17 the applicable tax year. The result is the dollar amount of property taxes for that tax year for a  
18 particular property attributable to the repayment of general obligation bonds approved by the  
19 voters after November 14, 2002.

20 (iii) The dollar amount calculated under Subsection (ii) shall be divided by two, and  
21 then by the total number of all units in each property, including commercial units. That figure  
22 shall be divided by 12 months, to determine the monthly per unit costs for that tax year of the  
23 repayment of general obligation bonds approved by the voters after November 14, 2002.

24 (C) For general obligation bonds of the San Francisco Unified School District or San  
25 Francisco Community College District approved by the voters after November 1, 2006:

1 (i) The Controller and the Board of Supervisors will determine the percentage of the  
2 property tax rate, if any, in each tax year attributable to San Francisco Unified School District  
3 or San Francisco Community College District general obligation bonds approved by the voters  
4 after November 1, 2006 and repayable within such tax year.

5 (ii) This percentage shall be multiplied by the total amount of the net taxable value for  
6 the applicable tax year. The result is the dollar amount of property taxes for that tax year for a  
7 particular property attributable to the repayment of San Francisco Unified School District or  
8 San Francisco Community College District general obligation bonds approved by the voters  
9 after November 1, 2006.

10 (iii) The dollar amount calculated under Subsection (ii) shall be divided by two, and  
11 then by the total number of all units in each property, including commercial units. That figure  
12 shall be divided by 12 months, to determine the monthly per unit costs for that tax year of the  
13 repayment of San Francisco Unified School District or San Francisco Community College  
14 District general obligation bonds approved by the voters after November 1, 2006.

15 (D) Landlords may pass through to each unit in a particular property the dollar amount  
16 calculated under these Subsections 37.3(a)(6)(A) and (B) and (C). These passthroughs may  
17 be imposed only on the anniversary date of each tenant's occupancy of the property. These  
18 passthroughs shall not become a part of a tenant's base rent. The amount of each annual  
19 passthrough imposed pursuant to this Subsection (6) may vary from year-to-year, depending  
20 on the amount calculated under Subsections (A) and (B) and (C). Each annual passthrough  
21 shall apply only for the 12 month period after it is imposed. A landlord may impose the  
22 passthroughs described in this Subsection (6) for a particular tax year only with respect to  
23 those tenants who were residents of a particular property on November 1st of the applicable  
24 tax year. A landlord shall not impose a passthrough pursuant to this Subsection (6) if the  
25 landlord has filed for or received Board approval for a rent increase under Section 37.8(e)(4)



1 for increased operating and maintenance expenses in which the same increase in property  
2 taxes due to the repayment of general obligation bonds was included in the comparison year  
3 cost totals.

4 (E) The Board will have available a form which explains how to calculate the  
5 passthrough.

6 (F) Landlords must provide to tenants, on or before the date that notice is served on  
7 the tenant of a passthrough permitted under this Subsection (6), a copy of the completed form  
8 described in Subsection (E). This completed form shall be provided in addition to the Notice of  
9 Rent Increase required under Section 37.3(b)(5). Where a tenant alleges that a landlord has  
10 imposed a charge which exceeds the limitations set forth in this Subsection (6), the tenant  
11 may petition for a hearing under the procedures provided by Section 37.8. In such a hearing,  
12 the landlord shall have the burden of proving the accuracy of the calculation that is the basis  
13 for the increase. Any tenant petitions challenging such a passthrough must be filed within one  
14 year of the effective date of the passthrough.

15 (G) The Board may amend its rules and regulations as necessary to implement this  
16 Subsection (6).

17 (7) RAP Loans. A landlord may impose rent increases attributable to the City  
18 Administrator's amortization of the RAP loan in an area designated on or after July 1, 1977,  
19 pursuant to Chapter 32 of the San Francisco Administrative Code.

20 (8) Additional Increases. A landlord who seeks to impose any rent increase which  
21 exceeds those permitted above shall petition for a rental arbitration hearing pursuant to  
22 Section 37.8 of this Chapter.

23 (9) A landlord may impose a rent increase to recover costs incurred for the  
24 remediation of lead hazards, as defined in San Francisco Health Code Article 11 or 26. Such  
25 increases may be based on changes in operating and maintenance expenses or for capital

1 improvement expenditures as long as the costs which are the basis of the rent increase are a  
2 substantial portion of the work which abates or remediates a lead hazard, as defined in San  
3 Francisco Health Code Article 11 or 26, and provided further that such costs are approved for  
4 operating and maintenance expense increases pursuant to Section 37.8(e)(4)(A) and certified  
5 as capital improvements pursuant to Section 37.7 below.

6 When rent increases are authorized by this Subsection 37.3(a)(9), the total rent  
7 increase for both operating and maintenance expenses and capital improvements shall not  
8 exceed 10 percent in any 12 month period. If allowable rent increases due to the costs of lead  
9 remediation and abatement work exceed 10 percent in any 12 month period, an  
10 Administrative Law Judge shall apply a portion of such excess to approved operating and  
11 maintenance expenses for lead remediation work, and the balance, if any, to certified capital  
12 improvements, provided, however, that such increase shall not exceed 10 percent. A landlord  
13 may accumulate any approved or certified increase which exceeds this amount, subject to the  
14 10 percent limit.

15 (10) With respect to units occupied by recipients of tenant-based rental assistance:

16 (A) If the tenant's share of the base rent is not calculated as a fixed percentage of the  
17 tenant's income, such as in the Section 8 voucher program and the Over-FMR Tenancy  
18 Program, then:

19 (i) If the base rent is equal to or greater than the payment standard, the rent increase  
20 limitations in Sections 37.3(a)(1) and (2) shall apply to the entire base rent, and the arbitration  
21 procedures for those increases set forth in Section 37.8 and 37.8A shall apply.

22 (ii) If the base rent is less than the payment standard, the rent increase limitations of  
23 this Chapter shall not apply; provided, however, that any rent increase which would result in  
24 the base rent being equal to or greater than the payment standard shall not result in a new  
25 base rent that exceeds the payment standard plus the increase allowable under Section

1 37.3(a)(1).

2 (B) If the tenant's share of the base rent is calculated as a fixed percentage of the  
3 tenant's income, such as in the Section 8 certificate program and the rental subsidy program  
4 for the HOPWA program, the rent increase limitations in Section 37.3(a)(1) and (2) shall not  
5 apply. In such circumstances, adjustments in rent shall be made solely according to the  
6 requirements of the tenant-based rental assistance program.

7 (11) No extra rent may be charged solely for an additional occupant to an existing tenancy  
8 (including, but not limited to, a newborn child or family member as defined by Section 401 of the  
9 Housing Code), notwithstanding a rental agreement or lease that specifically permits a rent increase  
10 for additional tenants, so long as one or more of the occupants of the unit pursuant to the agreement  
11 with the owner remains an occupant in lawful possession of the unit, or so long as a lawful sublessee or  
12 assignee who resided in the unit prior to January 1, 1996 remains in possession of the unit. Such  
13 "extra rent" provisions in written or oral rental agreements or leases are deemed to be contrary to  
14 public policy. Except that, a landlord may petition the Rent Board for a rent increase pursuant to  
15 Section 37.8(e)(4) based on increased costs, and the petition may be granted, where such an additional  
16 occupant causes an increase in costs. Rent increases otherwise permitted by California Civil Code  
17 Section 1954.53(d)(1) (as it may be amended from time to time) or any successor section are not  
18 prohibited or limited by this Administrative Code Section 37.3(a)(11).

19 (b) Notice of Rent Increase for Tenants in Occupancy. On or before the date upon  
20 which a landlord gives a tenant legal notice of a rent increase, the landlord shall inform the  
21 tenant, in writing, of the following:

22 (1) Which portion of the rent increase reflects the annual increase, and/or a banked  
23 amount, if any;

24 (2) Which portion of the rent increase reflects costs for increased operating and  
25 maintenance expenses, rents for comparable units, and/or capital improvements,

1 rehabilitation, energy conservation measures improvements, or renewable energy  
2 improvements certified pursuant to Section 37.7. Any rent increase certified due to increases  
3 in operating and maintenance costs shall not exceed seven percent;

4 (3) Which portion of the rent increase reflects the passthrough of charges for: gas and  
5 electricity; or the passthrough of increased water bill charges attributable to water rate  
6 increases resulting from issuance of water revenue bonds authorized at the November 2002  
7 election as provided by Section 37.3(a)(5)(B), which charges and calculations of charges shall  
8 be explained in writing on a form provided by the Board; or the passthrough of general  
9 obligation bond measure costs as provided by Section 37.3(a)(6), which charges shall be  
10 explained in writing on a form provided by the Board as described in Section 37.3(a)(6)(E);

11 (4) Which portion of the rent increase reflects the amortization of the RAP loan, as  
12 described in Section 37.3(a)(7) above.

13 (5) Nonconforming Rent Increases. Any rent increase which does not conform with  
14 the provisions of this Section shall be null and void.

15 (6) With respect to rental units occupied by recipients of tenant-based rental  
16 assistance, the notice requirements of this Subsection (b) shall be required in addition to any  
17 notice required as part of the tenant-based rental assistance program.

18 (c) Initial Rent Limitation for Subtenants. A tenant who subleases his or her rental unit  
19 may charge no more rent upon initial occupancy of the subtenant or subtenants than that rent  
20 which the tenant is currently paying to the landlord.

21 (d) Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.)  
22 Consistent with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.)  
23 and regardless of whether otherwise provided under Chapter 37:

24 (1) Property Owner Rights to Establish Initial and All Subsequent Rental Rates for  
25 Separately Alienable Parcels.

1 (A) An owner or residential real property may establish the initial and all subsequent  
2 rental rates for a dwelling or a unit which is alienable separate from the title to any other  
3 dwelling unit or is a subdivided interest in a subdivision as specified in subdivision (b), (d), or  
4 (f) of Section 11004.5 of the California Business and Professions Code. The owner's right to  
5 establish subsequent rental rates under this paragraph shall not apply to a dwelling or unit  
6 where the preceding tenancy has been terminated by the owner by notice pursuant to  
7 California Civil Code Section 1946 or has been terminated upon a change in the terms of the  
8 tenancy noticed pursuant to California Civil Code Section 827; in such instances, the rent  
9 increase limitation provisions of Chapter 37 shall continue to apply for the duration of the new  
10 tenancy in that dwelling or unit.

11 (B) Where the initial or subsequent rental rates of a Subsection 37.3(d)(1)(A) dwelling  
12 or unit were controlled by the provisions of Chapter 37 on January 1, 1995, the following shall  
13 apply:

14 (i) A tenancy that was in effect on December 31, 1995, remains subject to the rent  
15 control provisions of this Chapter 37, and the owner may not otherwise establish the  
16 subsequent rental rates for that tenancy.

17 (ii) On or after January 1, 1999, an owner may establish the initial and all subsequent  
18 rental rates for any tenancy created on or after January 1, 1996.

19 (C) An owner's right to establish subsequent rental rates under Subsection 37.3(d)(1)  
20 shall not apply to a dwelling or unit which contains serious health, safety, fire or building code  
21 violations, excluding those caused by disasters, for which a citation has been issued by the  
22 appropriate governmental agency and which has remained unabated for six months or longer  
23 preceding the vacancy.

24 (2) Conditions for Establishing the Initial Rental Rate Upon Sublet or Assignment.  
25 Except as identified in this Subsection 37.3(d)(2), nothing in this Subsection or any other

1 provision of law of the City and County of San Francisco shall be construed to preclude  
2 express establishment in a lease or rental agreement of the rental rates to be applicable in the  
3 event the rental unit subject thereto is sublet, and nothing in this Subsection shall be  
4 construed to impair the obligations of contracts entered into prior to January 1, 1996, subject  
5 to the following:

6 (A) Where the original occupant or occupants who took possession of the dwelling or  
7 unit pursuant to the rental agreement with the owner no longer permanently reside there, an  
8 owner may increase the rent by any amount allowed by this Subsection to a lawful sublessee  
9 or assignee who did not reside at the dwelling or unit prior to January 1, 1996. However, such  
10 a rent increase shall not be permitted while:

11 (i) The dwelling or unit has been cited in an inspection report by the appropriate  
12 governmental agency as containing serious health, safety, fire, or building code violations, as  
13 defined by Section 17920.3 of the California Health and Safety Code, excluding any violation  
14 caused by a disaster; and,

15 (ii) The citation was issued at least 60 days prior to the date of the vacancy: and,

16 (iii) The cited violation had not been abated when the prior tenant vacated and had  
17 remained unabated for 60 days or for a longer period of time. However, the 60-day time  
18 period may be extended by the appropriate governmental agency that issued the citation.

19 (B) This Subsection 37.3(d)(2) shall not apply to partial changes in occupancy of a  
20 dwelling or unit where one or more of the occupants of the premises, pursuant to the  
21 agreement with the owner provided for above (37.3(d)(2)), remains an occupant in lawful  
22 possession of the dwellings or unit, or where a lawful sublessee or assignee who resided at  
23 the dwelling or unit prior to January 1, 1996, remains in possession of the dwelling or unit.  
24 Nothing contained in this Subsection 37.3(d)(2) shall be construed to enlarge or diminish an  
25 owner's right to withhold consent to a sublease or assignment.

1 (C) Acceptance of rent by the owner shall not operate as a waiver or otherwise  
2 prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver of an  
3 owner's rights to establish the initial rental rate unless the owner has received written notice  
4 from the tenant that is party to the agreement and thereafter accepted rent.

5 (3) Termination or Nonrenewal of a Contract or Recorded Agreement with a  
6 Government Agency Limiting Rent. An owner who terminates or fails to renew a contract or  
7 recorded agreement with a governmental agency that provides for a rent limitation to a  
8 qualified tenant, shall be subject to the following:

9 (A) The tenant(s) who were beneficiaries of the contract or recorded agreement shall  
10 be given at least 90 days' written notice of the effective date of the termination and shall not  
11 be obligated to pay more than the tenant's portion of the rent, as calculated under that  
12 contract or recorded agreement, for 90 days following receipt of the notice of termination or  
13 nonrenewal.

14 (B) The owner shall not be eligible to set an initial rent for three years following the  
15 date of the termination or nonrenewal of the contract or agreement.

16 (C) The rental rate for any new tenancy established during the three-year period in  
17 that vacated dwelling or unit shall be at the same rate as the rent under the terminated or  
18 nonrenewed contract or recorded agreement, plus any increases authorized under this  
19 Chapter 37 after the date of termination/non renewal.

20 (D) The provisions of Subsections 37.3(d)(3)(B) and (C) shall not apply to any new  
21 tenancy of 12 months or more duration established after January 1, 2000, pursuant to the  
22 owner's contract or recorded agreement with a governmental agency that provides for a rent  
23 limitation to a qualified tenant unless the prior vacancy in that dwelling or unit was pursuant to  
24 a nonrenewed or canceled contract or recorded agreement with a governmental agency that  
25 provides for a rent limitation to a qualified tenant.

1 (4) Subsection 37.3(d) does not affect the authority of the City and County of San  
2 Francisco to regulate or monitor the basis or grounds for eviction.

3 (5) This Subsection 37.3(d) is intended to be and shall be construed to be consistent  
4 with the Costa-Hawkins Rental Housing Act (Civil Code Sections 1954.50. et seq.).

5 (e) Effect of Deferred Maintenance on Passthroughs for Lead Remediation  
6 Techniques.

7 (1) When lead hazards are remediated or abated pursuant to San Francisco Health  
8 Code Articles 11 or 26, are violations of State or local housing health and safety laws, there  
9 shall be a rebuttable presumption that the lead hazards are caused or created by deferred  
10 maintenance as defined herein of the current or previous landlord. If the landlord fails to rebut  
11 the presumption, the costs of such work shall not be passed through to tenants as either a  
12 capital improvement or an operating and maintenance expense. If the landlord rebuts the  
13 presumption, he or she shall be entitled to a rent increase if otherwise justified by the  
14 standards set forth in this Chapter.

15 (2) For purposes of the evaluation of petitions for rent increases for lead remediation  
16 work, maintenance is deferred if a reasonable landlord under the circumstances would have  
17 performed, on a regular basis, the maintenance work required to keep the premises from  
18 being in violation of housing safety and habitability standards set forth in California Civil Code  
19 Section 1941 and the San Francisco Municipal Code. In order to prevail on a deferred  
20 maintenance defense, a tenant must show that the level of repair or remediation currently  
21 required would have been lessened had maintenance been performed in a more timely  
22 manner.

23 //

24 //

25 Section 2. The San Francisco Administrative Code is hereby amended by amending



1 Section 37.9, to read as follows:

2 SEC. 37.9. EVICTIONS.

3 Notwithstanding Section 37.3, this Section shall apply as of August 24, 1980, to all  
4 landlords and tenants of rental units as defined in Section 37.2(r).

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

6 (1) The tenant:

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

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

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

17 (B) Habitually pays the rent late; or

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

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

24 (A) Provided that notwithstanding any lease provision to the contrary, a landlord shall  
25 not endeavor to recover possession of a rental unit as a result of subletting of the rental unit

1 by the tenant if the landlord has unreasonably withheld the right to sublet following a written  
2 request by the tenant, so long as the tenant continues to reside in the rental unit and the  
3 sublet constitutes a one-for-one replacement of the departing tenant(s). If the landlord fails to  
4 respond to the tenant in writing within fourteen (14) days of receipt of the tenant's written  
5 request, the tenant's request shall be deemed approved by the landlord.

6 (B) Provided further that where a rental agreement or lease provision limits the  
7 number of occupants or limits or prohibits subletting or assignment, a landlord shall not  
8 endeavor to recover possession of a rental unit as a result of the addition to the unit of a  
9 tenant's child, parent, grandchild, grandparent, brother or sister, or the spouse or domestic  
10 partner (as defined in Administrative Code Sections 62.1 through 62.8) of such relatives, or as  
11 a result of the addition of the spouse or domestic partner of a tenant, so long as the maximum  
12 number of occupants stated in Section 37.9(a)(2)(B)(i) and (ii) is not exceeded, if the landlord  
13 has unreasonably refused a written request by the tenant to add such occupant(s) to the unit.  
14 If the landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the  
15 tenant's written request, the tenant's request shall be deemed approved by the landlord. A  
16 landlord's reasonable refusal of the tenant's written request may not be based on the  
17 proposed additional occupant's lack of creditworthiness, if that person will not be legally  
18 obligated to pay some or all of the rent to the landlord. A landlord's reasonable refusal of the  
19 tenant's written request may be based on, but is not limited to, the ground that the total  
20 number of occupants in a unit exceeds (or with the proposed additional occupant(s) would  
21 exceed) the lesser of (i) or (ii):

22 (i) Two persons in a studio unit, three persons in a one-bedroom unit, four persons in  
23 a two-bedroom unit, six persons in a three-bedroom unit, or eight persons in a four-bedroom  
24 unit; or

25 (ii) The maximum number permitted in the unit under state law and/or other local

1 codes such as the Building, Fire, Housing and Planning Codes. ~~or~~

2 (C) Provided further that where a rental agreement or lease provision limits the number of  
3 occupants or limits or prohibits subletting or assignment a landlord shall not endeavor to recover  
4 possession of a rental unit as a result of the addition by the tenant of additional occupants to the rental  
5 unit if the total number of occupants occupying a room for sleeping purposes does not violate the  
6 superficial floor area standards prescribed in Subsection (b) of Housing Code Section 503, if the  
7 landlord has unreasonably refused a written request by the tenant to add such occupant(s) to the unit.  
8 If the landlord fails to respond to the tenant in writing within fourteen (14) days of receipt of the  
9 tenant's written request, the tenant's request shall be deemed approved by the landlord. A landlord's  
10 reasonable refusal of the tenant's written request may not be based on the proposed additional  
11 occupant's lack of creditworthiness, if that person will not be legally obligated to pay some or all of the  
12 rent to the landlord. A landlord's reasonable refusal of the tenant's written request may be based on,  
13 but is not limited to, the ground that the total number of occupants in a unit exceeds (or with the  
14 proposed additional occupant(s) would exceed) the total number of occupants permitted by the  
15 superficial floor area standards prescribed in Subsection (b) of Housing Code Section 503; or

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

21 (3.1) Eviction Protection for Victims of Domestic Violence or Sexual Assault or  
22 Stalking:

23 (A) It shall be a defense to an action for possession of a unit under Subsection  
24 37.9(a)(3) if the court determines that:

25 (i) The tenant or the tenant's household member is a victim of an act or acts that

1 constitute domestic violence or sexual assault or stalking; and

2 (ii) The notice to vacate is substantially based upon the act or acts constituting  
3 domestic violence or sexual assault or stalking against the tenant or a tenant's household  
4 member, including but not limited to an action for possession based on complaints of noise,  
5 disturbances, or repeated presence of police.

6 (B) Evidence Required. In making the determination under Section 37.9(a)(3.1)(A)  
7 the court shall consider evidence, which may include but is not limited to:

8 (i) A copy of a temporary restraining order or emergency protective order issued  
9 pursuant to Part 3 (commencing with Section 6240) or Part 4 (commencing with Section 6300)  
10 or Part 5 (commencing with Section 6400) of the Family Code, Section 136.2 of the Penal  
11 Code, Section 527.6 of the Code of Civil Procedure, or Section 213.5 of the Welfare and  
12 Institutions Code, that protects the tenant or tenant's household member from further  
13 domestic violence, sexual assault, or stalking. And/or,

14 (ii) A copy of a written report by a peace officer employed by a state or local law  
15 enforcement agency acting in his or her official capacity, stating that the tenant or tenant's  
16 household member has filed a report alleging that he or she is a victim of domestic violence,  
17 sexual assault, or stalking. And/or,

18 (iii) Other written documentation from a qualified third party of the acts constituting  
19 domestic violence or sexual assault or stalking.

20 (C) Mutual Allegations of Abuse Between Parties. If two or more co-tenants are  
21 parties seeking relief under Subsection 37.9(a)(3.1)(A), and each alleges that he or she was a  
22 victim of domestic violence or sexual assault or stalking perpetrated by another co-tenant who  
23 is also a party, the court may determine whether a tenant acted as the dominant aggressor in  
24 the acts constituting a domestic violence or sexual assault or stalking offense. In making the  
25 determination, the court shall consider the factors listed in Section 13701(b)(1) of the Penal

1 Code. A tenant who the court determines was the dominant aggressor in the acts constituting  
2 a domestic violence or sexual assault or stalking offense is not entitled to relief under  
3 Subsection 37.9(a)(3.1)(A).

4 (D) Limitations on Relief. Unless the tenant or the tenant's household member has  
5 obtained a protective order against the alleged abuser to vacate or stay from the unit as a  
6 result of acts constituting domestic violence or sexual assault or stalking against the tenant or  
7 tenant's household member, the tenant may not obtain relief under Subsection 37.9(a)(3.1) if:

8 (i) The tenant was granted relief under Subsection 37.9(a)(3.1) in an action for  
9 possession of the unit within the previous five years; and

10 (ii) A subsequent action for possession of the unit has now been filed; and

11 (iii) The notice to vacate in this subsequent action for possession is substantially  
12 based upon continuing acts constituting domestic violence or sexual assault or stalking by the  
13 same person alleged to be the abuser in the previous action for possession.

14 (E) Nothing in this Subsection 37.9(a)(3.1) shall be construed to affect the tenant's  
15 liability for delinquent rent or other sums owed to the landlord, or the landlord's remedies in  
16 recovering against the tenant for such sums.

17 (F) The provisions of Subsection 37.9(a)(3.1) are intended for use consistent with  
18 Civil Code Section 1946.7.

19 (3.2) Confidentiality of Information Received from Victims of Domestic Violence or  
20 Sexual Assault or Stalking. A landlord shall retain in strictest confidence all information that is  
21 received in confidence from a tenant or a tenant's household member who is a victim of  
22 domestic violence or sexual assault or stalking, regarding that domestic violence or sexual  
23 assault or stalking, except to the extent that such disclosure (A) is necessary to provide for a  
24 reasonable accommodation for the victim, or (B) is otherwise required pursuant to applicable  
25 federal, state or local law. The victim may authorize limited or general release of any

1 information otherwise deemed confidential under this Subsection 37.9(a)(3.2).

2 Or,

3 (4) The tenant is using or permitting a rental unit to be used for any illegal purpose; or

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

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

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

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

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

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

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

1 as an owner of record of at least 10 percent interest in the property or, for Section 37.9(a)(8)(i)  
2 only, two individuals registered as domestic partners as defined in San Francisco  
3 Administrative Code Sections 62.1 through 62.8 whose combined ownership of record is at  
4 least 10 percent. For purposes of this Section 37.9(a)(8) only, as to landlords who become  
5 owners of record of the rental unit after February 21, 1991, the term "landlord" shall be  
6 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 37.9(a)(8) if a  
11 comparable unit owned by the landlord is already vacant and is available, or if such a unit  
12 becomes vacant and available before the recovery of possession of the unit. If a comparable  
13 unit does become vacant and available before the recovery of possession, the landlord shall  
14 rescind the notice to vacate and dismiss any action filed to recover possession of the  
15 premises. Provided further, if a noncomparable unit becomes available before the recovery of  
16 possession, the landlord shall offer that unit to the tenant at a rent based on the rent that the  
17 tenant is paying, with upward or downward adjustments allowed based upon the condition,  
18 size, and other amenities of the replacement unit. Disputes concerning the initial rent for the  
19 replacement unit shall be determined by the Rent Board. It shall be evidence of a lack of good  
20 faith if a landlord times the service of the notice, or the filing of an action to recover  
21 possession, so as to avoid moving into a comparable unit, or to avoid offering a tenant a  
22 replacement unit.

23 (v) It shall be rebuttably presumed that the landlord has not acted in good faith if the  
24 landlord or relative for whom the tenant was evicted does not move into the rental unit within  
25 three months and occupy said unit as that person's principal residence for a minimum of 36

1 continuous months.

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

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

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

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



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

19           (12) The landlord seeks to recover possession in good faith in order to carry out  
20 substantial rehabilitation, as defined in Section 37.2(s), and has obtained all the necessary  
21 permits on or before the date upon which notice to vacate is given, and does so without  
22 ulterior reasons and with honest intent. Notwithstanding the above, no landlord shall endeavor  
23 to recover possession of any unit subject to a RAP loan as set forth in Section 37.2(m) of this  
24 Chapter except as provided in Section 32.69 of the San Francisco Administrative Code; Any  
25 landlord who seeks to recover possession under this Section 37.9(a)(12) shall pay relocation

1 expenses as provided in Section 37.9C; or

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

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

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

22 (b) A landlord who resides in the same rental unit with his or her tenant may evict said  
23 tenant without just cause as required under Section 37.9(a) above.

24 (c) A landlord shall not endeavor to recover possession of a rental unit unless at least  
25 one of the grounds enumerated in Section 37.9(a) or (b) above is the landlord's dominant

1 motive for recovering possession and unless the landlord informs the tenant in writing on or  
2 before the date upon which notice to vacate is given of the grounds under which possession is  
3 sought and that advice regarding the notice to vacate is available from the Residential Rent  
4 Stabilization and Arbitration Board, before endeavoring to recover possession. A copy of all  
5 notices to vacate except three-day notices to vacate or pay rent and a copy of any additional  
6 written documents informing the tenant of the grounds under which possession is sought shall  
7 be filed with the Board within 10 days following service of the notice to vacate. The District  
8 Attorney shall determine whether the units set forth on the list compiled in accordance with  
9 Section 37.6(k) are still being occupied by the tenant who succeeded the tenant upon whom  
10 the notice was served. In cases where the District Attorney determines that Section 37.9(a)(8)  
11 has been violated, the District Attorney shall take whatever action he deems appropriate  
12 under this Chapter or under State law.

13 (d) No landlord may cause a tenant to quit involuntarily or threaten to bring any action  
14 to recover possession, or decrease any services, or increase the rent, or take any other action  
15 where the landlord's dominant motive is retaliation for the tenant's exercise of any rights under  
16 the law. Such retaliation shall be a defense to any action to recover possession. In an action  
17 to recover possession of a rental unit, proof of the exercise by the tenant of rights under the  
18 law within six months prior to the alleged act of retaliation shall create a rebuttable  
19 presumption that the landlord's act was retaliatory.

20 (e) It shall be unlawful for a landlord or any other person who wilfully assists the  
21 landlord to endeavor to recover possession or to evict a tenant except as provided in Section  
22 37.9(a) and (b). Any person endeavoring to recover possession of a rental unit from a tenant  
23 or evicting a tenant in a manner not provided for in Section 37.9(a) or (b) without having a  
24 substantial basis in fact for the eviction as provided for in Section 37.9(a) shall be guilty of a  
25 misdemeanor and shall be subject, upon conviction, to the fines and penalties set forth in

1 Section 37.10A. Any waiver by a tenant of rights under this Chapter except as provided in  
2 Section 37.10A(g), shall be void as contrary to public policy.

3 (f) Whenever a landlord wrongfully endeavors to recover possession or recovers  
4 possession of a rental unit in violation of Sections 37.9 and/or 37.10 as enacted herein, the  
5 tenant or Board may institute a civil proceeding for injunctive relief, money damages of not  
6 less than three times actual damages, (including damages for mental or emotional distress),  
7 and whatever other relief the court deems appropriate. In the case of an award of damages  
8 for mental or emotional distress, said award shall only be trebled if the trier of fact finds that  
9 the landlord acted in knowing violation of or in reckless disregard of Section 37.9 or 37.10A  
10 herein. The prevailing party shall be entitled to reasonable attorney's fees and costs pursuant  
11 to order of the court. The remedy available under this Section 37.9(f) shall be in addition to  
12 any other existing remedies which may be available to the tenant or the Board.

13 (g) The provisions of this Section 37.9 shall apply to any rental unit as defined in  
14 Sections 37.2(r)(4)(A) and 37.2(r)(4)(B), including where a notice to vacate/quit any such  
15 rental unit has been served as of the effective date of this Ordinance No. 250-98 but where  
16 any such rental unit has not yet been vacated or an unlawful detainer judgment has not been  
17 issued as of the effective date of this Ordinance No. 250-98.

18 (h) With respect to rental units occupied by recipients of tenant-based rental  
19 assistance, the notice requirements of this Section 37.9 shall be required in addition to any  
20 notice required as part of the tenant-based rental assistance program, including but not limited  
21 to the notice required under 24 CFR Section 982.310(e)(2)(ii).

22 (i) The following additional provisions shall apply to a landlord who seeks to recover a  
23 rental unit by utilizing the grounds enumerated in Section 37.9(a)(8):

24 (1) A landlord may not recover possession of a unit from a tenant under Section  
25 37.9(a)(8) if the landlord has or receives notice, any time before recovery of possession, that

1 any tenant in the rental unit:

2 (A) Is 60 years of age or older and has been residing in the unit for 10 years or more;

3 or

4 (B) Is disabled within the meaning of Section 37.9(i)(1)(B)(i) and has been residing in  
5 the unit for 10 years or more, or is catastrophically ill within the meaning of Section  
6 37.9(i)(1)(B)(ii) and has been residing in the unit for five years or more:

7 (i) A "disabled" tenant is defined for purposes of this Section 37.9(i)(1)(B) as a person  
8 who is disabled or blind within the meaning of the federal Supplemental Security  
9 Income/California State Supplemental Program (SSI/SSP), and who is determined by  
10 SSI/SSP to qualify for that program or who satisfies such requirements through any other  
11 method of determination as approved by the Rent Board;

12 (ii) A "catastrophically ill" tenant is defined for purposes of this Section 37.9(i)(1)(B) as  
13 a person who is disabled as defined by Section 37.9(i)(1)(B)(i), and who is suffering from a life  
14 threatening illness as certified by his or her primary care physician.

15 (2) The foregoing provisions of Sections 37.9(i)(1)(A) and (B) shall not apply where  
16 there is only one rental unit owned by the landlord in the building, or where each of the rental  
17 units owned by the landlord in the same building where the landlord resides (except the unit  
18 actually occupied by the landlord) is occupied by a tenant otherwise protected from eviction by  
19 Sections 37.9(i)(1)(A) or (B) and where the landlord's qualified relative who will move into the  
20 unit pursuant to Section 37.9(a)(8) is 60 years of age or older.

21 (3) The provisions established by this Section 37.9(i) include, but are not limited to,  
22 any rental unit where a notice to vacate/quit has been served as of the date this amendment  
23 takes effect but where the rental unit has not yet been vacated or an unlawful detainer  
24 judgment has not been issued.

25 (4) Within 30 days of personal service by the landlord of a written request, or, at the

1 landlord's option, a notice of termination of tenancy under Section 37.9(a)(8), the tenant must  
2 submit a statement, with supporting evidence, to the landlord if the tenant claims to be a  
3 member of one of the classes protected by Section 37.9(i). The written request or notice shall  
4 contain a warning that a tenant's failure to submit a statement within the 30 day period shall  
5 be deemed an admission that the tenant is not protected by Section 37.9(i). The landlord shall  
6 file a copy of the request or notice with the Rent Board within 10 days of service on the tenant.  
7 A tenant's failure to submit a statement within the 30 day period shall be deemed an  
8 admission that the tenant is not protected by Section 37.9(i). A landlord may challenge a  
9 tenant's claim of protected status either by requesting a hearing with the Rent Board or, at the  
10 landlord's option, through commencement of eviction proceedings, including service of a  
11 notice of termination of tenancy. In the Rent Board hearing or the eviction action, the tenant  
12 shall have the burden of proof to show protected status. No civil or criminal liability under  
13 Section 37.9(e) or (f) shall be imposed upon a landlord for either requesting or challenging a  
14 tenant's claim of protected status.

15 (5) This Section 37.9(i) is severable from all other sections and shall be of no force or  
16 effect if any temporary moratorium on owner/relative evictions adopted by the Board of  
17 Supervisors after June 1, 1998 and before October 31, 1998 has been invalidated by the  
18 courts in a final decision.

19 (j) Disclosure of Rights to Tenants Before and After Sale of Rental Units Subject to  
20 Section 37.9.

21 (1) Disclosure to Tenants By Seller of the Property. Before property containing rental  
22 units subject to Section 37.9 may be sold, the owner/seller shall disclose to tenants of the  
23 property the rights of tenants during and after the sale of the property. This disclosure shall be  
24 in writing and shall include:

25 (A) A statement in bold type of at least 12 points that tenants can not be evicted or

1 asked to move solely because a property is being sold or solely because a new owner has  
2 purchased that property.

3 (B) A statement in bold type of at least 12 points that tenants cannot have their rent  
4 increased above that permitted by Chapter 37 solely because a property is being sold or  
5 solely because a new owner has purchased that property.

6 (C) A statement in bold type of at least 12 points that the rental agreements of tenants  
7 cannot be materially changed solely because a property is being sold or solely because a new  
8 owner has purchased that property.

9 (D) A statement that the owner's right to show units to prospective buyers is governed  
10 by California Civil Code section 1954, including a statement that tenants must receive notice  
11 as provided by Section 1954, and a statement that a showing must be conducted during  
12 normal business hours unless the tenant consents to an entry at another time.

13 (E) A statement that tenants are not required to complete or sign any estoppel  
14 certificates or estoppel agreements, except as required by law or by that tenant's rental  
15 agreement. The statement shall further inform tenants that tenant rights may be affected by  
16 an estoppel certificate or agreement and that the tenants should seek legal advice before  
17 completing or signing an estoppel certificate or agreement.

18 (F) A statement that information on these and other tenant's rights are available at the  
19 San Francisco Rent Board, 25 Van Ness Ave, San Francisco, California, and at the  
20 counseling telephone number of the Rent Board and at its web site.

21 (2) Disclosure to Tenants by Purchaser of the Property. Within 30 days of acquiring  
22 title to rental units subject to Section 37.9, the new purchaser/owner shall disclose to tenants  
23 of the property the rights of tenants following this sale of the property. This disclosure shall be  
24 in writing and shall include:

25 (A) A statement in bold type of at least 12 points that tenants cannot be evicted or

1 asked to move solely because a new owner has purchased that property.

2 (B) A statement in bold type of at least 12 points that tenants cannot have their rent  
3 increased above that permitted by Chapter 37 solely because a new owner has purchased  
4 that property.

5 (C) A statement in bold type of at least 12 points that the rental agreements of tenants  
6 cannot be materially changed solely because a new owner has purchased that property.

7 (D) A statement in bold type of at least 12 points that any tenants, sub-tenants or  
8 roommates who were lawful occupants at the time of the sale remain lawful occupants.

9 (E) A statement in bold type of at least 12 points: that tenants' housing services as  
10 defined in Section 37.2(r) first paragraph cannot be changed or severed from the tenancy  
11 solely because a new owner has purchased that property; and that tenants' housing services  
12 as defined in Section 37.2(r) second paragraph that were supplied in connection with the use  
13 or occupancy of a unit at the time of sale (such as laundry rooms, decks, or storage space)  
14 cannot be severed from the tenancy by the new purchaser/owner without just cause as  
15 required by Section 37.9(a).

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19 *Section 2-3. It is the intent of the Board of Supervisors that the provisions of Residential Rent*  
20 *Stabilization and Arbitration Rules and Regulations Section 6.15A and Section 6.15B regarding*  
21 *consent procedures in subletting also substantially apply to this legislation, and that the Rent Board*  
22 *amend its Rules and Regulations as necessary to so provide.*

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1 APPROVED AS TO FORM:  
2 DENNIS J. HERRERA, City Attorney

3 By: \_\_\_\_\_  
4 Deputy City Attorney

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